bajaj hindusthan ltd.

Reports and Accounts of
Subsidiary Companies 2011-12

CONTENTS

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

1.	Name of the Subsidiary	Bajaj Aviation Pvt. Ltd. *	Bajaj Hindusthan (Singapore) Pvt. Ltd., Singapore	Bajaj Power Generation Pvt. Ltd.	Lalitpur Power Generation Company Ltd.**
2.	The Financial Year of the Subsidiary Company ends on	September 30, 2012	March 31, 2012	March 31, 2012	March 31, 2012
3.	Holding Company's interest :				
	i) No. of Equity Shares	50,00,000 of ₹ 10/- each	2,70,01,000 ordinary S$ 1/- each	20,000 of ₹10/- each	47,36,700 of ₹10/- each
	ii) Percentage of Holding	100%	100%	100%	51.21%
4.	The Net Aggregate of Profits (Losses) of the Subsidiary Company for its Financial Year so far as they concern members of Bajaj Hindusthan Limited				
	Dealt with the Accounts of Bajaj Hindusthan Limited for the year ended September 30, 2012 (Amount in ₹ Crore)	Nil	Nil	Nil	Nil
	Not Dealt with the Accounts of Bajaj Hindusthan Limited for the year ended September 30, 2012 (Amount in ₹ Crore)	(1.54)	(0.23)	Nil	(0.33)
5.	The Net Aggregate of Profits (Losses) of the Subsidiary Company up to Previous Financial Year so far as they concern members of Bajaj Hindusthan Limited				
	Dealt with the Accounts of Bajaj Hindusthan Limited for the year ended September 30, 2012 (Amount in ₹ Crore)	Nil	Nil	Nil	Nil
	Not Dealt with the Accounts of Bajaj Hindusthan Limited for the year ended September 30, 2012 (Amount in ₹ Crore)	(0.12)	(21.11)	Nil	Nil

* Pursuant to the Merger of Bajaj Eco-Tec Products Limited [BETPL] with Bajaj Hindusthan Limited (BHL), Bajaj Aviation Private Limited has ceased to be a step down subsidiary of BHL and become its wholly owned subsidiary with effect from October 01, 2012.

** Shareholding of the Company in the subsidiary has been reduced to 51.21% from 76.00% pursuant to issue of shares to the minority.

1. Material changes between the end of the financial year of the subsidiaries and the end of the holding Company's financial year in respect of:

(i) Fixed assets (including Capital work-in-progress): - in case of Lalitpur Power Generation Company Ltd. increase by ₹ 871.22 crore.

(ii) Money Borrowed: - In case of Lalitpur Power Generation Company Ltd. increase by ₹ 955.52 crore.

(iii) Share Capital (including share premium received): - In case of Lalitpur Power Generation Company Ltd. increase by ₹ 150.81 crore.

(iv) Advance against share application money received: - In case of Lalitpur Power Generation Company Ltd. increase by ₹ 525.00 crore.

For and on behalf of the Board
Shishir Bajaj
Chairman & Managing Director

Kushagra Bajaj
Vice Chairman & Joint Managing Director

M. L. Apte
R. V. Ruia
D. K. Shukla
Directors

Pradeep Parakh
Group President (GRC) &
Company Secretary

Mumbai, November 26, 2012

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Eighth Annual Report together with the Audited Accounts of the Company for the financial year ended September 30, 2012.

Pursuant to the merger of Bajaj Eco-Tec Products Limited (BETPL) with Bajaj Hindusthan Limited (BHL), your Company ceased to be a step-down subsidiary of BHL and become its wholly owned subsidiary with effect from October 01, 2012.

Operations

During the financial year 2011-12, your Company earned rental income of ₹ 9,600,000/- by continuing the arrangement to lease out its Helicopter- Bell 407. During the year, your Company suffered loss before tax aggregating to ₹ 12, 519,715/- mainly on account of interest, depreciation and maintenance cost.

Industry Scenario: Civil Aviation Sector - Non-Scheduled Operations

Post declaration of open sky policy, private non-scheduled operations have played a significant role in promoting tourism, facilitating corporate travel and assisting emergency evacuation services during natural or man-made disasters. The Planning Commission has estimated that Indian Air-lines and Non-Scheduled Air Operators are together likely to add around 1,000 aircraft and 250 helicopters to accommodate the needs of growing passenger traffic over the next five years.

In order to capitalize on the potential opportunity available in Civil Aviation Sector, your Company has filed an application with the Ministry of Civil Aviation for obtaining initial No Objection Certificate for operating Non-Scheduled Air Transport (Passenger) Services across the country.

Dividend

Your Directors have not recommended any Dividend for the financial year under review.

Directors

Dr. Sanjeev Kumar (DIN: 00364416), Director of the Company, will retire by rotation and being eligible, offers himself for re-appointment. All the appointments of the Directors of the Company are in compliance with the provisions of Section 274(1)(g) of the Companies Act, 1956.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, as amended with respect to the Directors' responsibility statement, it is hereby confirmed: -

(a) that in preparation of accounts for the financial year ended September 30, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) that the Directors of the Company have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at September 30, 2012 and loss of the Company for the year ended on that date;

(c) that the Directors of the Company have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(d) that the Directors of the Company have prepared the annual accounts on a going concern basis.

Auditors and Auditors' Report

M/s. R. S. Dani & Company, Chartered Accountants, Ajmer, existing Statutory Auditors will retire at the conclusion of the ensuing Eighth Annual General Meeting and seek re-appointment as Statutory Auditors of the Company at the ensuing Annual General Meeting.

The Company has received a certificate from M/s. R. S. Dani & Company to the effect that their appointment, if made would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the Companies Act, 1956.

The Auditors' Report read alongwith Notes on Accounts is self explanatory and therefore, does not call for any further comment under Section 217(3) of the Companies Act, 1956.

Deposits

The Company has not accepted any deposits from the public.

STATUTORY DISCLOSURES

There was no employee in receipt of remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 and rules made thereunder.

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, required to be furnished pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are as under:

(i) Para A and B of the Rules, pertaining to conservation of energy and technology absorption, are not applicable to the Company.

(ii) Foreign Exchange Earnings and Outgo.

(a)	Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans	:	N.A.
(b)	Foreign Exchange Earned	:	Nil
(c)	Foreign Exchange Used	:	Nil

Acknowledgement

The Directors express their appreciation for the sincere cooperation and assistance of its employee, the Government Authorities, Bankers, Business Associates as well as Directors and Employees of its Holding Company.

Your Directors acknowledge with gratitude the encouragement and support extended by the valued shareholder.

For and on behalf of the Board of Directors

Noida, November 19, 2012

K.S. Vaidyanathan
Director

Dr. Sanjeev Kumar
Director

REPORT OF THE AUDITORS' TO THE MEMBERS

We have audited the attached Balance Sheet of Bajaj Aviation Private Ltd., Bajaj Bhawan 2nd Floor, 226, Nariman Point, Jamnalal Bajaj Marg, Mumbai - 400 021 as at September 30, 2012 and also the Statement of Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our Audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 (CARO, 2003), as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, (together referred as the 'Order') issued by the Central Government of India in terms of sub-section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
   (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of such books.
   (c) The Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement dealt with by the report are in agreement with the books of account of the Company.
   (d) In our opinion, the Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable.
   (e) On the basis of the written representation received from Directors as on September 30, 2012 and taken on record by the Board of Directors, we report that none of the Directors of the Company, as at September 30, 2012 is disqualified from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
   (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
      i) In the case of Balance Sheet, of the state of affairs of the Company as at September 30, 2012;
      ii) In the case of the Statement of Profit and Loss Account, of the loss for the year ended on that date.
      iii) In case of Cash Flow Statement of the cash flows for the year ended on that date.

For and on behalf of
R.S. DANI & CO.
Firm Reg. No. 000243C
Chartered Accountants

C. P. Kothari
Partner
Membership No. 072229

Ajmer, November 19, 2012

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF THE AUDITORS' REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED ON SEPTEMBER 30, 2012 OF BAJAJ AVIATION PRIVATE LIMITED.

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

i) (a) As informed and after going through the records the Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
   (b) As informed these fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
   (c) As informed and after going through the records the Company had not disposed any fixed asset during the year.

ii) As the Company does not have inventory the clauses (ii) (a) to (ii) (c) of paragraph 4 of the Order are not applicable to the Company.

iii) (a) As informed the Company has not granted any loan during the year, covered in the register maintained under Section 301 of the Act. Accordingly, the Clauses (iii) (a) to (iii) (d) of paragraph 4 of the Order are not applicable to the Company.
   (b) Based on the information and explanation given to us, the Company has taken unsecured loan, only from its holding Company covered in the register maintained under Section 301 of the Act. The closing balance at year end is ₹ 6, 54, 24,609.
   (c) The loan taken @ 12% p.a. the rate of interest, other terms and conditions is prima facie not prejudicial to the interest of the Company.
   (d) The loan and interest is repayable on demand, therefore the Clauses (iii) (g) of paragraph 4 of the Order are not applicable to the Company.

iv) In our opinion and based on information and explanations given to us, the Company has an internal control system commensurate with its size & nature of its business, purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit no major weakness has been noticed in the internal control system in respect of these areas.

v) According to information and explanations provided by the management, there were no transactions during the year pursuant to the contracts or arrangements referred to in Section 301 of the Act. Accordingly, Clauses (v) (a) & (v) (b) of paragraph 4 of the Order are not applicable to the Company.

vi) The Company has not accepted any deposit under the provision of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 1975, framed there under.

vii) The Company does not have a formal Internal Audit System.

viii) Maintenance of Cost Records under Section 209 (1) (d) of the Act, by the Central Government has not been prescribed for the Company.

ix) (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess and other statutory dues applicable to the Company with the appropriate authorities.
   (b) According to the information and explanations given to us, no undisputed amount payable in respect of provident fund, investor education and protection fund, employees state insurance, income tax, wealth tax, service tax, sales tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding at the last day of the financial year for a period of more than six months from the date they became payable.
   (c) According to the records of the Company, there are no dues of income tax, sales tax, service tax, excise duty, wealth tax, customs duty and cess which have not been deposited on account of any dispute.

x) The Company has accumulated losses of ₹ 1,65,92,490 after adjusting with General Reserve at the end of the financial year, but the same are less than fifty per cent of its net worth. The Company has incurred cash loss of ₹ 89,09,341 in the current F.Y., the Company has also incurred cash loss during the previous F.Y.

xi) The Company has not taken any loan/advance from financial institution or bank, also the Company has not issued any debentures.

xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of share, debenture and other securities.

xiii) In our opinion, the Company is not chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of Clauses (xiii) (a) to (xiii) (d) of paragraph 4 of the Order are not applicable to the Company.

xiv) In our opinion the Company has maintained proper records and made timely entries in respect of investments made by the Company. The Company's investments are held in its own name except to the extent of the exemption, if any, granted under Section 49 of the Act.

xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.

xvi) According to the information and explanations given to us, the Company has not obtained any term loan during the year; accordingly Clause (xvi) of paragraph 4 of the Order is not applicable to the Company.

xvii) According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, there are no funds raised on short term basis during the year under audit.

xviii) During the year, the Company has not made preferential allotment of equity shares to parties covered in the register maintained under Section 301 of the Act.

xix) The Company did not have any outstanding debentures during the year.

xx) The Company has not raised any money be public issue during the year.

xxi) As per the information and explanations given to us on our enquiries in this behalf, there were no frauds on or by the Company has been noticed or reported during the period.

For and on behalf of
R.S. DANI & CO.
Firm Reg. No. 000243C
Chartered Accountants

C. P. Kothari
Partner
Membership No. 072229

Ajmer, November 19, 2012

Balance Sheet as at September 30, 2012

(₹)

	Note No.	As at September 30, 2012	As at September 30, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	**50,000,000**	50,000,000
Reserves and Surplus	3	**(16,592,490)**	(1,188,807)
		33,407,510	48,811,193
Non-current Liabilities			
Deferred Tax Liabilities (Net)	4	**-**	-
Long-term Provisions	5	**133,793**	-
		133,793	-
Current Liabilities			
Short-term Borrowings	6	**65,424,609**	75,978,390
Other Current Liabilities	7	**217,890**	496,242
		65,642,499	76,474,632
Total		**99,183,802**	125,285,825
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	8	**91,616,245**	98,110,587
Deferred Tax Assets (Net)	4	**-**	2,900,000
Non-current Investments	9	**-**	1,088,700
		91,616,245	102,099,287
Current Assets			
Trade Receivables	10	**1,797,760**	-
Cash and Bank Balances	11	**527,553**	12,044,187
Short-term Loans and Advances	12	**5,242,244**	11,142,351
		7,567,557	23,186,538
Total		**99,183,802**	125,285,825
Significant accounting policies	1		

The accompanying notes are integral part of the financial statements.

As per our report of even date

For and on behalf of
R. S. DANI & CO.
Firm Registration No. 000243C
Chartered Accountants

For and on behalf of the Board

C. P. Kothari
Partner
Membership No. 072229

K. S. Vaidyanathan
Director

Dr. Sanjeev Kumar
Director

Ajmer, November 19, 2012

Noida, November 19, 2012

Statement of Profit and Loss for the year ended September 30, 2012

(₹)

	Note No.	2011-2012	2010-2011
INCOME			
Revenue from Operations	13	**9,600,000**	9,600,000
Other Income	14	**(22,775)**	272,037
Total Revenue		**9,577,225**	9,872,037
EXPENSES			
Employee Benefits Expenses	15	**474,719**	-
Finance Costs	16	**8,167,586**	8,078,908
Depreciation and Amortisation		**6,494,342**	6,494,342
Repair and Maintenance	17	**1,236,085**	-
Other Expenses	18	**5,724,208**	14,120,414
Prior Period Items		**-**	3,900,000
Total Expenses		**22,096,940**	32,593,664
Profit/(Loss) before Exceptional and Extraordinary Items and Tax		**(12,519,715)**	(22,721,627)
Profit/(Loss) Before Tax		**(12,519,715)**	(22,721,627)
Tax Expenses:			
Current Tax (MAT)		**-**	-
Provision for Tax Written Back		**(16,032)**	(300,000)
MAT Credit Entitlement		**-**	-
Deferred Tax		**2,900,000**	(7,100,000)
Profit/(Loss) for the Year from Continuing Operations		**(15,403,683)**	(15,321,627)
Profit/(Loss) for the Year after Tax		**(15,403,683)**	(15,321,627)
Earnings per Equity Share [nominal value of share ₹10] (previous year ₹10)	20		
Basic		**(3.08)**	(3.06)
Diluted		**(3.08)**	(3.06)
Significant accounting policies	1		

The accompanying notes are integral part of the financial statements.
Figures have been regrouped/rearranged whenever necessary.

As per our report of even date

For and on behalf of
R. S. DANI & CO.
Firm Registration No. 000243C
Chartered Accountants

For and on behalf of the Board

C. P. Kothari
Partner
Membership No. 072229

K. S. Vaidyanathan
Director

Dr. Sanjeev Kumar
Director

Ajmer, November 19, 2012

Noida, November 19, 2012

Cash Flow Statement for the year ended September 30, 2012

(₹)

		2011-2012	2010-2011
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before tax	**(12,519,715)**	(22,721,627)
	Adjustment for :		
	Finance costs	**8,167,586**	8,078,908
	Depreciation and amortisation expenses	**6,494,342**	6,494,342
	Provisions/Provisions written back	**16,032**	300,000
	Investing activities (Net)	**22,775**	-
	Operating profit before working capital changes	**2,181,021**	(7,848,377)
	Changes in working Capital:		
	Trade and other Receivables	**4,102,347**	24,009,799
	Trade and other payables	**(144,559)**	(6,595,647)
	Cash generation from operation	**6,138,808**	9,565,775
	Payment of direct taxes	**-**	(397,764)
	Net cash generated/(used) - Operating activities	**6,138,808**	9,168,011
B.	**CASH FLOW FROM INVESTMENT ACTIVITIES**		
	Sale of investments	**1,065,925**	(72,038)
	Proceeds/Repayment of loans to body corporate (Net)	**-**	-
	Net cash generated/(used) - Investing activities	**1,065,925**	(72,038)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds/Repayment of short-term borrowings (Net)	**(10,553,781)**	10,978,390
	Finance cost paid	**(8,167,586)**	(8,078,908)
	Net Cash Generated/(Used) - Financing activities	**(18,721,367)**	2,899,482
	Net Increase/(Decrease) in Cash and cash equivalents	**(11,516,634)**	11,995,455
	Add : Opening cash and cash equivalents - other balances	**12,044,187**	48,732
	Closing cash and cash equivalents - other balances	**527,553**	12,044,187

Notes :

1. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 "Cash Flow Statement" as specified in the Companies (Accounting Standard) Rules, 2006.
2. Figures have been regrouped/rearranged wherever necessary.

Significant accounting policies **1**

The accompanying notes are integral part of the financial statements.

As per our report of even date

For and on behalf of
R. S. DANI & CO.
Firm Registration No. 000243C
Chartered Accountants

For and on behalf of the Board

C. P. Kothari
Partner
Membership No. 072229

K. S. Vaidyanathan
Director

Dr. Sanjeev Kumar
Director

Ajmer, November 19, 2012

Noida, November 19, 2012

Notes to Financial Statements for the year ended September 30, 2012

1. SIGNIFICANT ACCOUNTING POLICIES

i) System of Accounting:

(i) The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis except in case of significant uncertainties.

(ii) Financial Statements are prepared on Historical Cost basis.

ii) Fixed Assets and Depreciation:

(a) Fixed Assets:

(i) Fixed Assets are carried at cost of acquisition or construction cost, less accumulated depreciation (except free hold land) and amortisation.

(b) Depreciation:

Depreciation on all the assets has been provided as under:-

Plant and Machinery: On Straight-Line Method basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

iii) Taxation :

(a) Provision for current tax is made with reference to taxable income computed for the accounting period for which the financial statements are prepared by applying the tax rates relevant to the respective 'Previous Year'. Minimum Alternate Tax (MAT) eligible for set-off in subsequent years (as per tax laws), is recognised as asset by way of credit to the Profit and Loss Account only if there is convincing evidence of its realisation. At each Balance Sheet date, the credit amount of MAT Credit Entitlement receivable is reviewed to reassure realisation.

(b) Deferred Tax resulting from 'timing difference' between book and taxable profit for the year is accounted for using the current tax rates. The deferred tax assets is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future. However, in case of deferred tax assets (representing unabsorbed depreciation or carry forward losses) are recognised, if and only if there is a virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realised.

iv) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Financial Statements. Contingent Assets are neither recognised nor disclosed in the Financial Statements.

v) Employee retirement benefits:
Liabilities in respect of retirement benefits in the form of Gratuity and Leave Encashment, are determined and accrued on actual basis.

(₹)

	As at September 30, 2012	As at September 30, 2011
2. SHARE CAPITAL		
A. Authorized, Issued, Subscribed and Paid-up Share Capital		
Authorised:		
50,00,000 (Previous year 50,00,000) Equity Shares of ₹10/- each.	**50,000,000**	50,000,000
	50,000,000	50,000,000
Issued:		
50,00,000 (Previous year 50,00,000) Equity Shares of ₹ 10/- each.	**50,000,000**	50,000,000
	50,000,000	50,000,000
Subscribed and Paid-up:		
50,00,000 (Previous year 50,00,000) Equity Shares of ₹ 10/- each fully paid	**50,000,000**	50,000,000
	50,000,000	50,000,000

B. Reconciliation of Shares outstanding at the beginning and at the end of year are given below:

	2011-12		2010-11	
	Numbers	**(₹)**	Numbers	(₹)
Equity Shares outstanding at the beginning of the year	**5,000,000**	**50,000,000**	5,000,000	50,000,000
Add : Equity Shares Issued during the year	**-**	**-**	-	-
Less : Equity Shares bought back/redeemed during the year	**-**	**-**	-	-
Equity Shares outstanding at the end of the year	**5,000,000**	**50,000,000**	5,000,000	50,000,000

C. Detail of shareholder holding more than 5 percent shares of the Company as on reporting date are given below:

Name of shareholder (Equity Shares of ₹ 10/- each fully paid)	As at September 30, 2012		As at September 30, 2011	
	Numbers of Shares held	**Percentage of Holding**	Numbers of Shares held	Percentage of Holding
Bajaj Eco-tec Products Limited (Refer Note - 23)	**5,000,000**	**100**	5,000,000	100

(₹)

	As at September 30, 2012	As at September 30, 2011
3. RESERVES AND SURPLUS		
Surplus/(deficit) in statement of Profit and Loss		
Opening Balance	**(1,188,807)**	14,132,820
Excess/(Short) Provision for Tax		
Add : Profit/(Loss) for the period	**(15,403,683)**	(15,321,627)
Closing Balance	**(16,592,490)**	(1,188,807)
4. DEFERRED TAX LIABILITIES/(ASSETS) (NET)		
Deferred Tax Liabilities		
Depreciation and Amortisation Expenses	**23,345,246**	23,742,931
	23,345,246	23,742,931
Deferred Tax Assets		
Other Timing Differences	**34,041,314**	26,660,570
	34,041,314	26,660,570
Deferred Tax Liabilities/(Assets) (Net)	**-**	(2,917,639)
Deferred Tax Liabilities/(Assets)	**-**	(2,900,000)
# In absence of virtual certainty, the Company has recongnised deferred tax asset to the extent of deferred tax liability.		
5. LONG-TERM PROVISIONS		
Provision for employee benefits	**133,793**	-
	133,793	-
6. SHORT-TERM BORROWINGS		
Unsecured		
Loans and Advances from Related Parties	**65,424,609**	75,978,390
	65,424,609	75,978,390
7. OTHER CURRENT LIABILITIES		
Statutory dues Payables	**40,000**	-
Other Liabilities	**177,890**	496,242
	217,890	496,242

8. FIXED ASSETS

(₹)

	DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
Sr. No.	Particulars	As at October 1, 2011	Additions during the year	Deduction & Adjustments	**As at September 30, 2012**	Upto October 1, 2011	For the Year	Deduction & Adjustments	**Upto September 30, 2012**	**As at September 30, 2012**	As at September 30, 2011
1	Plant and Machinery	115,970,400		-	**115,970,400**	17,859,813	6,494,342	-	**24,354,155**	**91,616,245**	98,110,587
	Total	115,970,400	-	-	**115,970,400**	17,859,813	6,494,342	-	**24,354,155**	**91,616,245**	98,110,587
	Previous Year Total	115,970,400			**115,970,400**	11,365,471	6,494,342	-	**17,859,813**	**98,110,587**	104,604,929

(₹)

	As at September 30, 2012	As at September 30, 2011
9. NON-CURRENT INVESTMENTS (VALUED AT COST)		
Other Investments		
Investments in Mutual Funds (Quoted)	**-**	1,088,700
	-	1,088,700
10. TRADE RECEIVABLES		
Outstanding for a period exceeding six months (from the due date)		
Good	**-**	-
Other Debts	**1,797,760**	-
	1,797,760	-

(₹)

	As at September 30, 2012	As at September 30, 2011
11. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balance with Banks:		
Current Accounts	**527,527**	12,043,911
Cash on hand	**26**	276
	527,553	12,044,187
12. SHORT TERM LOANS AND ADVANCES (UNSECURED CONSIDERED GOOD)		
Advance Tax (Net of Provisions)	**356,748**	316,619
Mat Credit Entitlement	**2,100,000**	2,100,000
Other advances	**2,785,496**	8,725,732
	5,242,244	11,142,351

(₹)

		2011-2012	2010-2011
13.	**REVENUE FROM OPERATIONS**		
	Operating Income	**9,600,000**	9,600,000
		9,600,000	9,600,000
14.	**OTHER INCOME**		
	Dividend Income	**22,495**	72,037
	Gain/(Loss) on sale of Investments (Net)	**(45,270)**	-
	Other Non-Operating Income	**-**	200,000
		(22,775)	272,037
15.	**EMPLOYEE BENEFITS EXPENSES**		
	Salary and wages	**340,926**	-
	Employee Welfare	**133,793**	-
		474,719	-
16.	**FINANCE COSTS**		
	Other Borrowing Costs	**8,167,153**	8,298,211
	Interest Expenses	**433**	405
		8,167,586	8,298,616
	Interest Income	**-**	219,708
		8,167,586	8,078,908
17.	**REPAIRS AND MAINTENANCE EXPENSES**	**1,236,085**	-
		1,236,085	-
18.	**OTHER EXPENSES**		
	Insurance	**986,234**	1,144,336
	Earlier Year Income Reversed as per Award	**-**	12,886,515
	Sundry Balances written off	**2,266,215**	-
	Auditors' Remuneration - (a)	**20,000**	22,060
	Miscellaneous Expenses	**2,451,758**	67,503
		5,724,207	14,120,414
	(a) Details of Auditors' Remuneration are as follows:		
	Statutory Audit Fees	**20,000**	22,060
		20,000	22,060

19. SEGMENT REPORTING

A. Primary Segment Reporting (by Business Segment) :

The Company has only one reportable segments viz. Aviation which have been identified in line with the Accounting Standard 17 on Segment Reporting. Therefore, primary segment reporting is not required.

B. Secondary Segment Reporting (by geographical demarcation) :

(a) The secondary segment is based on geographical demarcation i.e. India and Rest of the World. Company is having only one reportable segment viz. India. Therefore, details of same are not required.

20.	**EARNING PER SHARE (EPS)**		
	Profit/(Loss) for the period	**(15,403,683)**	(15,321,627)
	Weighted average number of Equity Shares outstanding :	**5,000,000**	5,000,000
	Basic EPS (₹)	**(3.08)**	(3.06)
	Diluted EPS (₹)	**(3.08)**	(3.06)

21. Disclosure relating to amount outstanding at year end and maximum outstanding during the year of loans and advances, required as per Clause 32 of the Listing Agreement, are given below.:

(₹)

		Year ended 30/09/2012		Year ended 30/09/2011	
		Balance at year end	**Maximum Outstanding**	Balance at year end	Maximum Outstanding
(a)	Holding Company				
	Bajaj Eco-tec Products Limited (Refer Note-23)	**65,424,609**	**75,978,390**	75,978,390	75,978,390

22. RELATED PARTY DISCLOSURES

A. List of Related Parties :

(a) Enterprises where control exists :

Holding Company

(i) Bajaj Eco-tec Products Limited (Refer Note - 23)

(ii) Bajaj Hindusthan Limited

(b) Key Managerial Personnel :

(i) Dr. Sanjeev Kumar Director

(ii) Mr. K.S. Vaidyanathan Director

B. Disclosure of transactions between the Company and Related Parties during the year in the ordinary course of business and status of outstanding balances at year end :

(a) Holding, Subsidiary and Key Management : (₹)

	2012	2011
	Holding Company	Holding Company
Transactions for year ended September 30 :		
Interest paid	**8,167,153**	12,198,211
Repayment of Loan	**10,553,781**	2,675,000
Loan taken	**31,22,368**	13,653,390
Outstanding balances as at September 30 :		
Loans, Advances and Deposits taken	**65,424,609**	75,978,390

23. M/s. Bajaj Eco-tec Products Limited, Holding Company has been amalgamated with M/s. Bajaj Hindusthan Ltd. as per Scheme of Amalgamation duly sanctioned by Hon'ble High Court of Bombay vide its order dated September 14, 2012. Certified copy of the order has been filed with Registrar of Companies, Mumbai on October 01, 2012.

24. The previous figure has been reclassified/ rearranged / regrouped in compliance of Revised Schedule VI to correspond with current year figures.

As per our report of even date

For and on behalf of — For and on behalf of the Board

R. S. DANI & CO.

Firm Registration No. 000243C

Chartered Accountants

C. P. Kothari — Partner — Membership No. 072229

K. S. Vaidyanathan — Director

Dr. Sanjeev Kumar — Director

Ajmer, November 19, 2012

Noida, November 19, 2012

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Sixth Annual Report and the Audited Statement of Accounts for the financial year ended March 31, 2012.

POWER PROJECT

During the year under review, the Company has initiated steps to acquire land for setting up its 1980 MW (3 x 660 MW) coal based power project at Bargarh, District Chitrakoot, Uttar Pradesh. Your Company has also applied for various licenses, approvals and clearances, including application for coal linkages required for the project. The Company has received permission from Joint Secretary, Uttar Pradesh Government and clearance from Central Water Commission, Irrigation Planning (North) Dte., Government of India for withdrawal of water from Yamuna river for its power plant and permission from Central Ground Water Authority, Ministry of Water Resources, Government of India to withdraw ground water to facilitate construction activities at the plant site. Your Company has also submitted an Environmental Impact Assessment Report to the U.P. Pollution Control Board for their due consideration. With a view of developing logistical support simultaneously with its proposed power project, your Company has been evaluating various alternative options and has made an investment in Special Purpose Vehicle for setting up captive marine terminal.

FINANCIAL RESULTS

During the year under review, your Company had incurred an aggregate expenditure of ₹ 272,99,365/- for administrative purpose and ₹ 105,719,261/- as interest and finance charges. Pending commencement of commercial activities by the Company, these have been considered as pre-operative expenses.

DIVIDEND

Your Directors have not recommended any dividend on equity shares for the financial year under review.

DIRECTORS

Mr. Manoj Maheshwari (DIN: 02581704) and Dr. Sanjeev Kumar (DIN: 00364416), Directors of the Company, retire by rotation and being eligible, offers themselves for re-appointment.

All the appointments of the Directors of the Company are in compliance with the provisions of Section 274 (1) (g) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 as amended, with respect to the Directors' responsibility statement, it is hereby confirmed:

(a) that in the preparation of accounts for the year ended March 31, 2012 the applicable accounting standards have been followed along with proper explanation relating to the material departures;

(b) that the Directors of the Company have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended March 31, 2012;

(c) that the Directors of the Company have taken proper and sufficient care for the maintenance of proper accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(d) that the Directors of the Company have prepared the annual accounts of the Company for the financial year ended March 31, 2012 on a going concern basis.

AUDITORS AND AUDITORS' REPORT

M/s. R. S. Dani & Company, Chartered Accountants, Ajmer, existing Statutory Auditors will retire at the conclusion of the ensuing Sixth Annual General Meeting and seek re-appointment as Statutory Auditors of the Company at the ensuing Annual General Meeting.

The Company has received a certificate from M/s. R. S. Dani & Company to the effect that their appointment, if made would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the Companies Act, 1956.

The Auditors' Report read alongwith Notes on Accounts is self explanatory and therefore, does not call for any further comment under Section 217(3) of the Companies Act, 1956.

DEPOSITS

The Company has not accepted any deposits from the public.

STATUTORY DISCLOSURES

Since the Company did not have any employees during the year under review, disclosure as required to be made under the provisions of Section 217 (2A) of the Companies Act, 1956 and rules made thereunder is not applicable.

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, required to be furnished pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are as under:

i. Para A and B of the Rules, pertaining to conservation of energy and technology absorption, are not applicable to the Company.

ii. Foreign Exchange Earnings and Outgo.

(a)	Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans	:	N.A.
(b)	Foreign Exchange Earned	:	Nil
(c)	Foreign Exchange Used	:	Nil

APPRECIATION

Your Directors express their appreciation for the sincere co-operation and assistance of the Government. Your Directors acknowledge with gratitude the encouragement and support extended by our valued shareholders and by the staff of the holding company.

For and on behalf of the Board of Directors

Dr. Sanjeev Kumar Director

Manoj Maheshwari Director

Noida, April 25, 2012

REPORT OF THE AUDITORS' TO THE MEMBERS

We have audited the attached Balance Sheet of Bajaj Power Generation Private Ltd., Bajaj Bhawan Jamnalal Bajaj Marg, B-10, Sector 3, Noida - 201 301 as at March 31, 2012 and Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1 We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

2 As required by the Companies (Auditor's Report) Order, 2003 (CARO, 2003), as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, (together referred as the 'Order') issued by the Central Government of India in terms of sub-section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

3 Further to our comments in the Annexure referred to in paragraph 2 above, we report that:

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of such books.

(c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by the report are in agreement with the books of account of the Company.

(d) In our opinion, the Balance Sheet complies with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable.

(e) On the basis of the written representation received from Directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors of the Company, as at March 31, 2012 is disqualified from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

(f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:

i) In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2012;

ii) In the case of Statement of Profit and Loss for the year ended on that date;

iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
R.S. DANI & CO.
Firm Registration No. 000243C
Chartered Accountants

C. P. Kothari
Partner
Membership No. 072229

Ajmer, April 25, 2012

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF THE AUDITORS' REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED ON MARCH 31, 2012 OF BAJAJ POWER GENERATION PRIVATE LIMITED

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

i) (a) In our opinion and based on information and explanations given to us, the Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As informed, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

(c) In our opinion and based on information and explanations given to us, no substantial part of fixed assets have been disposed off during the year and the going concern is not affected.

ii) As the Company does not have inventory, thus the Clauses (ii) (a) to (ii) (c) of paragraph 4 of the Order are not applicable to the Company.

iii) The Company has not given any loan during the year to the companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 ('Act'). Consequently, the requirements of clauses (iii) (a) to (iii) (d) of paragraph 4 of the Order are not applicable.

(e) The Company has taken loans from its Holding Company. In respect of the said loans, the maximum amount outstanding at any point of time during the year is ₹ 7,32,03,01,006/-.

(f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans taken by the Company, are not prima facie prejudicial to the interest of the Company.

(g) The principal amounts are repayable on demand and there is no repayment schedule. The interest is also payable on demand.

iv) In our opinion and based on information and explanations given to us, the Company has an internal control system for purchase of inventory and fixed assets and for the sale of goods and services commensurate with its size and nature of its business. During the course of our audit no major weakness has been noticed in the internal control system in respect of these areas.

v) According to information and explanations provided by the management, there were no transactions during the year pursuant to the contracts or arrangements referred to in Section 301 of the Act. Accordingly, Clauses (v) (a) & (v) (b) of paragraph 4 of the Order are not applicable to the Company.

vi) The Company has not accepted any deposit under the provision of Section 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 1975, framed thereunder.

vii) The Company does not have a formal Internal Audit System.

viii) Maintenance of Cost Records under Section 209 (1) (d) of the Act, by the Central Government has not been prescribed for the Company.

ix) a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess and other statutory dues applicable to the Company with the appropriate authorities.

b) According to the information and explanations given to us, no undisputed amount payable in respect of provident fund, investor education and protection fund, employees state insurance, income tax, wealth tax, service tax, sales tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding at the last day of the financial year for a period of more than six months from the date they became payable;.

c) According to the records of the Company, there are no dues of income tax, sales tax, service tax, excise duty, wealth tax, customs duty and cess which have not been deposited on account of any dispute.

x) As informed, the Company has not yet started its commercial operations, hence this point is not applicable.

xi) As informed, the Company has not defaulted in repayment of dues to financial institutions or banks, also the Company has not issued any debentures.

xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of share, debenture and other securities.

xiii) In our opinion, the Company is not chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of Clauses (xiii) (a) to (xiii) (d) of paragraph 4 of the Order are not applicable to the Company.

xiv) In our opinion, the Company has maintained proper records and made timely entries in respect of investments made by the Company. The Company's investments are held in its own name except to the extent of the exemption, if any, granted under Section 49 of the Act.

xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.

xvi) According to the information and explanations given to us, the Company has not taken any term loans.

xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.

xviii) During the year, the Company has not made preferential allotment of equity shares to parties covered in the register maintained under Section 301 of the Act.

xix) The Company did not have any outstanding debentures during the year.

xx) The Company has not raised any money by public issue during the year.

xxi) As per the information and explanations given to us on our enquiries in this behalf, there were no frauds on or by the Company has been noticed or reported during the period.

For and on behalf of

R.S. DANI & CO.
Firm Registration No. 000243C
Chartered Accountants

C. P. Kothari
Partner
Membership No. 072229

Ajmer, April 25, 2012

Balance Sheet as at March 31, 2012

(₹)

	Note	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	**200,000**	200,000
Reserves and Surplus	3	**(40,044)**	(40,044)
		159,956	159,956
Current Liabilities			
Short-Term Borrowings	4	**7,320,301,006**	-
Trade Payables	5	**122,327**	-
Other Current Liabilities	6	**8,599,399**	-
Short-Term Provisions	7	**10,000**	2,758
		7,329,032,732	2,758
Total		**7,329,192,688**	162,714
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	8	**10,318,988**	-
Capital Work-in-Progress	8	**133,078,652**	60,026
		143,397,640	60,026
Current Assets			
Cash and Cash Equivalents	9	**3,173,429**	100,469
Short-Term Loans and Advances	10	**7,180,000,000**	-
Other Current Assets	11	**2,621,619**	2,219
		7,185,795,048	102,688
Total		**7,329,192,688**	162,714

See accompanying Notes (1 to 17) to the financial statements

As per our attached report of even date
For and on behalf of
R.S. DANI & CO.
Firm Registration No. 000243C
Chartered Accountants

For and on behalf of the Board

C.P. Kothari
Partner
Membership No. 072229
Ajmer, April 25, 2012

Manoj Maheshwari
Director

Dr. Sanjeev Kumar
Director

Noida, April 25, 2012

Statement of Profit and Loss for the year ended March 31, 2012

(Amount ₹)

	Note	Year ended March 31, 2012	Year ended March 31, 2011
REVENUES			
Other Income		-	-
		-	-
EXPENSES			
Other Expenses		-	-
		-	-
Profit/(Loss) before Exceptional and Extraordinary items and Tax		-	-
Exceptional Items		-	-
Profit/(Loss) before Extraordinary items and Tax		-	-
Extraordinary Items		-	-
Profit before Tax		-	-
Tax Expenses:		-	-
Current Tax		-	-
Profit/(Loss) for the period		-	-
Earnings per Equity Share:	12		
Basic and Diluted (₹)		-	-

See accompanying Notes (1 to 17) to the financial statements

As per our attached report of even date
For and on behalf of
R.S. DANI & CO.
Firm Registration No. 000243C
Chartered Accountants

For and on behalf of the Board

C.P. Kothari
Partner
Membership No. 072229
Ajmer, April 25, 2012

Manoj Maheshwari
Director

Dr. Sanjeev Kumar
Director

Noida, April 25, 2012

Cash Flow Statement for the year ended March 31, 2012

(₹)

		2011-2012	2010-2011
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before Tax	-	-
	Adjustments	-	-
	Operating profit before working capital changes	-	-
	Changes in working Capital:		
	Trade and other Receivables	**(2,619,400)**	-
	Trade and other Payables	**8,728,968**	(13,083)
	Cash generation from Operation	**6,109,568**	(13,083)
	Payment of Direct Taxes	-	-
	Net Cash generated/ (used) - Operating Activities	**6,109,568**	(13,083)
B.	**CASH FLOW FROM INVESTMENT ACTIVITIES**		
	Purchase of Fixed Assets	**(143,337,614)**	(58,186)
	Share Application Money	**(2,500,000,000)**	-
	Advance against Share Application Money	**(2,200,000,000)**	-
	Advance for Purchase of Land	**(2,480,000,000)**	-
	Net Cash Generated/(Used) - Investing Activities	**(7,323,337,614)**	(58,186)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds/ Repayment of Short-term Borrowings (Net)	**7,320,301,006**	-
	Net Cash Generated/(Used) - Financing Activities	**7,320,301,006**	-
	Net Increase/(Decrease) in Cash and Cash Equivalents	**3,072,960**	(71,269)
	Add : Opening Cash and Cash Equivalents	**100,469**	171,738
	Closing Cash and Cash Equivalents	**3,173,429**	100,469

Notes:

1. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 "Cash Flow Statement" as specified in the Companies (Accounting Standard) Rules, 2006.
2. Figures in brackets indicate cash outflow and without brackets indicate cash inflow.

As per our attached report of even date
For and on behalf of
R.S. DANI & CO.
Firm Registration No. 000243C
Chartered Accountants

For and on behalf of the Board

C.P. Kothari
Partner
Membership No. 072229
Ajmer, April 25, 2012

Manoj Maheshwari
Director

Dr. Sanjeev Kumar
Director

Noida, April 25, 2012

Notes to the Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting:

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respect with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.

(i) The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis.

(ii) Financial statements are based on historical cost.

1.2 Fixed Assets and Depreciation:

(a) Fixed Assets:

(i) Fixed assets are carried at cost of acquisition or construction cost, less accumulated depreciation (except free hold land), amortisation and impairment loss if any.

(ii) Expenditure during construction period incurred on the projects under implementation are treated as Pre-operative Expenses pending allocation to the assets, and are included under "Capital Work-in-Progress". These expenses will be apportioned to fixed assets on commencement of commercial production. Capital Work-in-Progress is stated at the amount expended upto the date of Balance Sheet.

(b) Depreciation:

(i) Depreciation on assets is provided as under:

All assets (except land): On straight-line method basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

(ii) Depreciation on assets added, sold or discarded during the year has been provided on pro-rata basis.

1.3 Borrowing Cost:

(i) Borrowing cost attributable to acquisition and construction of assets will be capitalised as part of the cost of such assets upto the date when such assets will be ready for intended use and other borrowing costs will be charged to profit and loss account after start of commercial production.

1.4 Provision for Current and Deferred Tax:

(i) Provision for Current tax is made with reference to taxable income computed for the accounting period for which the financial statements are prepared by applying the tax rates relevant to the respective 'Previous Year'.

(ii) As the Company has not started its commercial operation and there is no timing difference of depreciation/loss, the provision for deferred tax liability does not arise as per Accounting Standard (AS) 22 notified by the Companies (Accounting Standards) Rules, 2006.

1.5 Impairment of Assets:

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss will be charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

1.6 Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

(₹)

	As at March 31, 2012	As at March 31, 2011
2. SHARE CAPITAL		
A. Authorised, Issued, Subscribed and Paid-up Share Capital		
Authorised :		
5,000,000 (Previous Year 20,000) Equity Shares of ₹ 10/- each	**50,000,000**	200,000
	50,000,000	200,000
Issued, Subscribed and Paid up		
20,000 (Previous Year 20,000) Equity Shares of ₹ 10/- each	**200,000**	200,000
	200,000	200,000

B. The reconciliation of number of shares outstanding at the beginning and at the end of year :

Particulars	As at March 31 , 2012		As at March 31 , 2011	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Equity Shares outstanding at the beginning of the year	**20,000**	**200,000**	20,000	200,000
Add : Equity Shares Issued during the year	**-**	**-**	-	-
Less : Shares cancelled on buy back of Equity Shares during the year	**-**	**-**	-	-
Equity Shares outstanding at the end of the year	**20,000**	**200,000**	20,000	200,000

C. The detail of shares held by the holding Company, the ultimate holding Company, their subsidiaries and associates :

Class of shares/ Particulars	As at March 31, 2012	As at March 31, 2011
	Number of Shares	Number of Shares
Equity Shares - Bajaj Hindusthan Limited, (Holding Company)	**20,000**	20,000

D. The detail of shareholder holding more than 5 percent shares :

	As at March 31, 2012		As at March 31 , 2011	
Class of shares/ Name of shareholder	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
Equity Shares - Bajaj Hindusthan Limited (Holding Company)	**20,000**	**100%**	20,000	100%

(₹)

	As at March 31, 2012	As at March 31, 2011
3. RESERVES AND SURPLUS		
Profit and Loss Account		
Opening Balance	**(40,044)**	(40,044)
Add: Profit/ (Loss) for the period	**-**	-
Closing Balance	**(40,044)**	(40,044)
4. SHORT TERM BORROWINGS		
Unsecured		
Loans and Advances from Related Parties (Refer Note 16)	**7,320,301,006**	-
	7,320,301,006	-
5. TRADE PAYABLES		
Payable to Micro, Small and Medium Enterprises (Refer Note 15)	**-**	-
Payable to Other Entities	**122,327**	-
	122,327	-
6. OTHER CURRENT LIABILITIES		
Statutory Liabilities	**8,599,399**	-
	8,599,399	-
7. SHORT TERM PROVISIONS		
Provision for Audit Fees	**10,000**	2,758
	10,000	2,758

8. FIXED ASSETS

A. Tangible Assets

Summary of cost and net carrying amount of each class of tangible assets are given below : (₹)

	Gross Block				Depreciation				Net Block	
	As at April 1, 2011	Additions	Deductions & Adjustments	As at March 31, 2012	As at April 1, 2011	For the year	Deductions & Adjustments	Upto March 31, 2012	As at March 31, 2012	As at March 31, 2011
Freehold Land	-	10,230,994	-	**10,230,994**	-	-	-	**-**	**10,230,994**	-
Office Equipment	-	91,330	-	**91,330**	-	3,336	-	**3,336**	**87,994**	-
Total	**-**	**10,322,324**	**-**	**10,322,324**	**-**	**3,336**	**-**	**3,336**	**10,318,988**	**-**
Previous Year Total	-	-	-	**-**	-	-	-	**-**	**-**	-
Capital Work-in-Progress	60,026	133,018,626	-	**133,078,652**	-	-	-	**-**	**133,078,652**	-
Total	**60,026**	**143,340,950**	**-**	**143,400,976**	**-**	**3,336**	**-**	**3,336**	**143,397,640**	**-**
Previous Year Total	-	60,026	-	**60,026**	-	-	-	**-**	**60,026**	-

(₹)

	As at March 31, 2012	As at March 31, 2011
B. Capital Work-in-Progress		
Capital Work-in-Progress consists of the following :		
Construction Work-in-Progress	**-**	-
Expenditure during Construction pending allocation - (a)	**133,078,652**	60,026
	133,078,652	60,026
(a) Detail of expenditure during construction pending allocation are given below:		
Expenditure during the year:		
Depreciation and Amortisation Expenses	**3,336**	-
Other Expenses:		
Legal and Professional Expenses	**4,048,316**	-
Rates and Taxes	**20,800,600**	-
Interest and Finance Charges	**105,719,261**	3,157
Preliminery Expenses	**349,500**	-
Miscellaneous Expenses	**2,097,613**	56,869
	133,018,626	60,026
Add : Balance brought forward from previous year	**60,026**	-
	133,078,652	60,026
Less : Amount allocated to Fixed Assets	**-**	-
Balance pending allocation	133,078,652	60,026

(₹)

		As at March 31, 2012	As at March 31, 2011
9.	**CASH AND CASH EQUIVALENT**		
	Balance with Banks	**3,171,082**	100,139
	Cash on hand	**2,347**	330
		3,173,429	100,469
10.	**SHORT TERM LOANS AND ADVANCES**		
	(Unsecured and considered good)		
	Loans and advances to related parties (Refer Note No. 16)		
	Share Application Money	**2,500,000,000**	-
	Other loans and advances		
	Advance for purchase of land	**2,480,000,000**	-
	Advance for Share Application Money	**2,200,000,000**	-
		4,680,000,000	-
		7,180,000,000	-
11.	**OTHER CURRENT ASSETS**		
	Tax paid in advance (Net of Provisions)	**2,219**	2,219
	Other Receivables - (a)	**2,619,400**	-
		2,621,619	2,219

(a) Other Receivables includes value of unused stamps surrendered and pending for disbursment.

(₹)

		Year ended March 31, 2012	Year ended March 31, 2011
12.	**EARNING PER SHARE (EPS)**		
	Profit/ (Loss) for the period	**-**	-
	Weighted average number of shares used in the calculation of EPS:	**20,000**	20,000
	Weighted average number of Basic Equity Shares outstanding	**20,000**	20,000
	Shares deemed to be issued for no consideration in respect of Employee Stock Options	**-**	-
	Weighted average number of Diluted Equity Shares outstanding	**20,000**	20,000
	Face value of per share (₹)	**10**	10
	Basic and Diluted EPS (₹)	**-**	-
13.	**PAYMENT TO AUDITORS**		
	Statutory Auditors:		
	Audit Fees	**10,000**	2,500
	* Included in Miscellaneous Expenses under the head Capital Work-in-Progress (Refer Note 8)		

14. Depreciation and Amortization expenses of ₹ 3,336 (P.Y. ₹ Nil) is debited to Capital Work-in-Progress. (Refer Note 8)

15. Information related to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Company:

(₹)

		As at March 31, 2012	As at March 31, 2011
(a)	Principal amount due	**-**	-
(b)	Interest on Principal amount due	**Nil**	Nil
(c)	Interest and Principal amount paid beyond appointment day	**Nil**	Nil
(d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the amount of interest specified under MSME Development Act.	**Nil**	Nil
(e)	The amount of interest accrued and remaining unpaid at the end of the year.	**Nil**	Nil
(f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSME Development Act.	**Nil**	Nil

16. RELATED PARTY DISCLOSURES

A. List of Related Parties:

Enterprises where control exists:

i. Holding Company:

Bajaj Hindusthan Limited

ii. Fellow Subsidiaries:

Bajaj Eco-Tec Products Limited

Bajaj Aviation Private Limited

Bajaj Hindusthan (Singapore) Private Limited (Incorporated in Singapore)

Bajaj International Participações Ltda., Brazil (Upto January 26, 2012)

Bajaj Energy Private Limited (Upto March 18, 2012)

Lalitpur Power Generation Company Limited

B. Disclosure of transactions as required under AS-18 in between the Company and Related Parties during the year in the ordinary course of business and status of outstanding balances at year end:

(₹)

Particulars	2012	2011	2012	2011
	Holding Company		Fellow Subsidiary	
Transactions for year ended March 31 :				
Share Application Money	**-**	-	**2,500,000,000**	-
Interest on loan taken	**94,778,897**	-	**-**	-
Loans, Advances and Deposits taken	**7,235,000,000**	-	**-**	-
Outstanding balances as at March 31 :				
Share Application Money	**-**	-	**2,500,000,000**	-
Loans, Advances and Deposits taken	**7,320,301,006**	-	**-**	-

Notes:

1. Related Party relationship is as identified by the Company based on the available information and relied upon by the Auditors.
2. No amount has been written off or written back during the year in respect of debts due from or to related parties.
3. Share application money of ₹ 250,00,00,000 (P.Y. Nil) is given to Lalitpur Power Generation Company Limited.

17. For the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company for preparation of its financial satements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has singnificant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

Signatures to Notes "1" to "17"

As per our attached report of even date

For and on behalf of
R.S. DANI & CO.
Firm Registration No. 000243C
Chartered Accountants

C.P. Kothari
Partner
Membership No. 072229
Ajmer, April 25, 2012

For and on behalf of the Board

Manoj Maheshwari
Director

Dr. Sanjeev Kumar
Director

Noida, April 25, 2012

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the third Annual Report and audited Statement of Accounts of the Company for the year ended March 31, 2012.

Financial Results

Your Company's project is under implementation stage hence no revenue had accrued during the year under review. In view of the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), some expenses have been debited to Statement of Profit and Loss resulting into a loss of ₹64,43,254/- during the year and the same has been carried to the Balance Sheet.

As of March 31, 2012, the Company has incurred pre-operative expenses amounting to ₹ 359.33 crore which has been shown under capital work-in-progress.

Dividend

As the Company's project is under implementation stage, your Directors do not recommend any dividend for the year 2011-2012.

Progress On Power Project

Your Company is setting up a coal based super thermal power project with an aggregate capacity of 1,980 MW (3 x 660 MW) at village Mirchwara and Burogaon, in Distt. Lalitpur, Uttar Pradesh. The highlights of progress of project are as under:

The Company has acquired 1,288.76 acres land till date out of the total estimated land requirement of 1,320 acres.

Boiler and Turbine Generators (BTG) contract has been awarded to Bharat Heavy Electricals Limited (BHEL) and initial advances have been paid. Substantial progress has been made in BTG supply and erection of Boilers has started on March 21, 2011.

Balance of plant (BoP) contract has been awarded to Carbery Infrastructure Pte Ltd. (CIPL) Singapore as per International Competitive Bidding (ICB) guidelines. On shore activities like civil works, procurement and supply of equipment, structural work, and erection, installation and commissioning etc. has been assigned by CIPL in favour of its holding company i.e. Bajaj Infrastructure Development Company Ltd. (BIDCO) and they are progressing with the work.

All necessary Government approvals and clearances have been obtained till the date of report.

For domestic fuel linkage, Company is pursuing with the relevant authorities. Our application for domestic coal has been recommended by Central Electricity Authority (CEA) and the Ministry of Power to the Ministry of Coal. It is expected that Company's application for coal linkage shall be considered in the next Standing Linkage Committee – Long Term (SLC – LT) meeting of Ministry of Coal, as ours is one of the few projects which have received all the clearances and made significant progress in execution of the Project.

Financial Arrangements

The total estimated cost of the project aggregating to ₹ 11,848 crore has been approved by a Consortium of Banks/ Financial Institutions led by State Bank of India, which is being funded in the debt equity ratio of 3:1. The Company has signed a facility agreement for the entire debt amounting to ₹ 8,886 crore, with the consortium of lenders on August 24, 2011. However Company was required to resort to short term bridge loans aggregating to ₹ 1,849.43 crore as on March 31, 2012, for part funding of the project due to non-disbursement of the project loan as the domestic coal linkage is yet to be received.

Share Capital

During the year under review, the Company has allotted additional 61,82,500 fully paid-up equity shares of ₹ 10/- each at a price of ₹ 500/- per share. Post allotment, the paid-up equity share capital of the Company has increased to ₹ 6,23,25,000 divided into 62,32,500 equity shares of face value of ₹ 10/- each. The Company also received share application money amounting to ₹ 944.81 crore upto March 31, 2012. Share premium account as at March 31, 2012 stood at ₹ 302.26 crore. The entire proceed of the issue was utilized to meet the cost of the project.

Dematerialization of Equity Shares

Your Company has entered into necessary agreement with National Securities Depository Limited (NSDL) to facilitate the shareholders of the Company to avail dematerialization facility. The International Securities Identification Number (ISIN) in respect of the equity shares of the Company is INE621N01018.

Directors

Dr. Sanjeev Kumar (DIN 00364416), Mr. Surat Narainmani Tripathi (DIN 03350006), Directors of the Company, will retire by rotation and being eligible, offer themselves for re-appointment. All the appointment of the Directors of the Company are in compliance with the provisions of Section 274 (1) (g) of the Companies Act, 1956.

Audit Committee

The Company's Audit Committee was formed in compliance with Section 292A (4) of the Companies Act, 1956 on July 13, 2011. Presently the Audit Committee consist of three Directors, namely, Dr. Sanjeev Kumar, Mr. Manoj Maheshwari and Mr. Pradeep Parakh.

Directors' Responsibility Statement

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 as amended, with respect to the Directors' responsibility statement, it is hereby confirmed that

(a) in the preparation of annual accounts the applicable Accounting Standards have been followed and there has been no material departure;

(b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended March 31, 2012;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(d) the Directors have prepared the accounts of the Company for the financial year ended March 31, 2012 on a going concern basis.

Auditors and Auditors' Report

Your Company's Auditors R. S. Dani & Company and M/s. L. B. Jha & Company, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting. They have shown their willingness to accept the office as Statutory Auditors, if re-appointed. Your Company has received a written certificate from the Auditors to the effect that their re- appointment, if made, would be within the prescribed limit under Section 224(1B) of the Companies Act, 1956.

The Board of Directors recommends to the shareholders the appointment of M/s. R. S. Dani & Company, Chartered Accountants and M/s. L. B. Jha & Company, Chartered Accountants, as Auditors of the Company.

The report of the auditors read together with Notes to Accounts referred to in Auditors' Report are self- explanatory and therefore do not call for any clarification under Section 217(3) of the Companies Act, 1956.

Fixed Deposits

The Company has not accepted any public deposits.

Particulars of Employees

As required under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, particulars of employees are set in the Annexure A and forms part of this report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings And Outgo

As the Company is in the project implementation stage, the report as prescribed under sub-section (1)(e) of Section 217 of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 with respect to Conservation of Energy and Technology Absorption are not applicable to the Company.

Foreign Exchange Earnings and Outgo:

(a)	Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans	:	N.A.
(b)	Foreign Exchange Earnings	:	Nil
(c)	Foreign Exchange Outgo	:	₹ 71.42 crore

Appreciation

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, bankers, financial institutions, government authorities, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff of the Company, resulting in the successful performance of the Company during the year.

For and on behalf of the Board of Directors

Noida, May 10, 2012

Dr. Sanjeev Kumar
Director

Manoj Maheshwari
Director

Annexure - A to the Directors' Report for the year ended March 31, 2012

Particulars of Employees as required under Section 217(2A) read with the Companies (Particulars of Employees) Rules, 1975

Sr. No.	Name of Employee	Designation/ Nature of Duties	Remuneration (₹)	Qualification	Age (years)	Experience (No. of years)	Date of Commencement of employment	Particulars of previous employment
1	2	3	4	5	6	7	8	9
A.	**Employee employed throughout the financial year and who was in receipt of the remuneration for that year in the aggregate of not less than ₹ 60,00,000**							
1	Mr. Sachin Sharma	Executive President	76,13,859	B.Com, PGDM,	34	11	April 1, 2011	Bajaj Hindusthan Limited
B.	**Employees employed for a part of the financial year and who were in receipt of the remuneration for any part of that year at a rate not less than ₹ 5,00,000 per month**							
1.	Mr. Om Prakash Kalia	President	45,35,272	M.S. (Hons.) Mech. Engineering	63	38	April 1, 2011 to November 30, 2011	Bajaj Energy Private Limited
2.	Mr. R. K. Singh	CEO	61,06,648	BE (Elec.), B.Sc.	62	42	September 1, 2011 to February 29, 2012	Hinduja National Power Corporation Ltd.

Note:

1. Remuneration includes salary, bonus, allowances, Company's contribution to Provident Fund, Superannuation etc., taxable value of other perquisites and terminal benefits as may be applicable.

REPORT OF THE AUDITORS' TO THE MEMBERS

1. We have audited the attached Balance Sheet of Lalitpur Power Generation Company Limited ("the Company") as at March 31, 2012 and the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date annexed thereto which we have signed under reference to this report. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003, as amended, by the Companies (Auditor's Report) (Amendment) Order, 2004 hereinafter referred to as "the Order", issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d) In our opinion, the Balance Sheet and the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

   e) On the basis of written representations received from the Directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

   f) In our opinion and to the best of our information and according to the explanations given to us, the said Financial Statements together with the notes thereon give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;

      ii. in the case of Statement of Profit and Loss of the loss for the year ended on that date; and

      iii. in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For and on behlaf of
L. B. JHA & CO.
Firm Reg. No. 301088E
Chartered Accountants

Bhaskar Auddy
Partner
Membership No. 53770

Noida, May 10, 2012

For and on behlaf of
R.S. DANI & CO.
Firm Reg. No. 000243C
Chartered Accountants

C.P. Kothari
Partner
Membership No. 072229

Noida, May 10, 2012

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED ON MARCH 31, 2012 OF LALITPUR POWER GENERATION COMPANY LIMITED

I. a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

   b. The Company has carried out the physical verification of all the fixed assets during the year. In our opinion the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and its nature of the fixed assets. No material discrepancies were noticed on such physical verification.

   c. The Company has not disposed of any of its fixed assets during the year.

II. The Company has no inventory hence the clause (ii) of para 4 of the said order is not applicable.

III. According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to / from the companies, firms or other parties covered in the register maintained under Section 301 of the Act.

IV. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. The Company's operation did not give rise to purchase of inventory and sale of goods and services during the year. Further on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.

V. According to the information and explanations given to us, there have been no contracts or arrangements, referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.

VI. The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Sections 58A and 58AA of the Act, or any other relevant provision of the Act and rules framed thereunder.

VII. In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and the nature of its business.

VIII. The Central Government has prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for generation of electricity. Since the generation of the electricity has not yet been started, hence this clause is not applicable.

IX. a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, income tax, work contract tax, sales tax, and other material statutory dues as applicable with appropriate authorities. There were no undisputed amounts payable in respect of above statutory dues in arrears as at March 31, 2012 for a period of more than six months from the date they became payable.

   b) According to the information and explanations given to us, there are no dues relating to Sales Tax, Wealth Tax, Service Tax, and Income Tax which have not been deposited on account of any dispute.

X. The period of five years has not been elapsed from the date of incorporation, the date of incorporation being September 4, 2009, and consequently the provision of clause (x) of para 4 is not applicable to the Company.

XI. In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of the dues to any financial institution or bank during the year. The Company has not issued any debentures.

XII. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debenture and other securities.

XIII. The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the Company. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.

XIV. As per the information and explanation provided to us, the Company is not dealing or trading in shares, securities, debentures or other investments.

XV. According to the information and explanations given to us, the Company has not given any guarantee for the loans taken by others from bank or financial institution during the year.

XVI. Based on the information and explanations provided to us, the short term loans were applied for the purpose for which the loans were obtained.

XVII. According to the information and explanations given to us and on the basis of an overall examination of the Balance Sheet of the Company, in our opinion no funds raised on short term basis have been used for long term investment.

XVIII. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

XIX. No debentures have been issued by the Company and hence, the question of creating securities or charge in respect thereof does not arise.

XX. During the year, the Company has not raised any money by way of public issues during the year.

XXI. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For and on behlaf of
L. B. JHA & CO.
Firm Reg. No. 301088E
Chartered Accountants

Bhaskar Auddy
Partner
Membership No. 53770

Noida, May 10, 2012

For and on behlaf of
R.S. DANI & CO.
Firm Reg. No. 000243C
Chartered Accountants

C.P. Kothari
Partner
Membership No. 072229

Noida,May 10, 2012

Balance Sheet as at March 31, 2012

(₹)

	Note No.	As at March 31, 2012	As at March 31, 2011
I. EQUITY AND LIABILITIES:			
1. Shareholders' Fund		**3,078,445,101**	500,000
(a) Share Capital	1	**62,325,000**	500,000
(b) Reserves and Surplus	2	**3,016,120,101**	-
2. Share Application Money Pending Allotment	3	**9,448,100,000**	4,100,000,000
3. Non-Current Liabilities		**419,208,443**	200,000
(a) Other Long-Term Liabilities	4	**415,034,593**	200,000
(b) Long-Term Provisions	5	**4,173,850**	-
4. Current Liabilities		**20,392,278,745**	2,768,269,690
(a) Short-Term Borrowings	6	**18,494,286,194**	2,752,253,151
(b) Other Current Liabilities	7	**1,897,146,865**	16,016,539
(c) Short-Term Provisions	8	**845,686**	-
Total		**33,338,032,289**	6,868,969,690
II. ASSETS:			
1. Non-Current Assets		**31,743,358,743**	6,283,004,344
(a) Fixed Assets		**10,058,687,196**	638,432,407
(i) Tangible Assets	9(a)	**677,524,897**	530,359,173
(ii) Intangible Assets	9(b)	**15,775,973**	-
(iii) Capital Works-in-progress	9(c)	**9,365,386,326**	108,073,234
(b) Long-Term Loans and Advances	10	**21,684,671,547**	5,644,571,937
2. Current Assets		**1,594,673,546**	585,965,346
(a) Cash and Cash Equivalents	11	**293,583,069**	575,477,536
(b) Short-Term Loans and Advances	12	**1,300,848,287**	3,626,165
(c) Other Current Assets	13	**242,190**	6,861,645
Total		**33,338,032,289**	6,868,969,690

See accompanying notes to the financial statements.

As per our attached report of even date

For and on behalf of	For and on behalf of	For and on behalf of the Board	
R.S. DANI & CO.	**L.B JHA & CO.**	**Dr. Sanjeev Kumar**	**Manoj Maheshwari**
Firm Registration No. 000243C	Firm Registration No. 301088E	Director	Director
Chartered Accountants	Chartered Accountants		

C.P. Kothari	**Bhaskar Auddy**	**Sanjeev Pathak**
Partner	Partner	Company Secretary
Membership No. 072229	Membership No. 53770	

Noida, May 10, 2012

Statement of Profit and Loss for the year ended March 31, 2012

(₹)

Particulars	Note No.	2011-2012	2010-2011
INCOME			
Revenue from operation		-	-
Other Income		-	-
		-	-
EXPENSES			
Other Expenses	14	**6,443,254**	-
Total Expenses		**6,443,254**	-
(Loss) before Tax		**(6,443,254)**	-
Tax Expense			
Current Tax		-	-
Deferred Tax		-	-
Profit/(Loss) for the Year		**(6,443,254)**	-
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted (in ₹)	23	**(1.43)**	-

See accompanying notes to the financial statements.

As per our attached report of even date

For and on behalf of	For and on behalf of	For and on behalf of the Board	
R.S. DANI & CO.	**L.B JHA & CO.**	**Dr. Sanjeev Kumar**	**Manoj Maheshwari**
Firm Registration No. 000243C	Firm Registration No. 301088E	Director	Director
Chartered Accountants	Chartered Accountants		

C.P. Kothari	**Bhaskar Auddy**	**Sanjeev Pathak**
Partner	Partner	Company Secretary
Membership No. 072229	Membership No. 53770	

Noida, May 10, 2012

Cash Flow Statement for the year ended March 31,2012

(₹)

		2011-2012	2010-2011
A)	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit before tax as per Profit and Loss Account	**(6,443,254)**	-
	Net Cash From/(Used in) Operating Activities	**(6,443,254)**	-
B)	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Fixed Assets including Capital Work- in-Progress	**(9,248,879,077)**	(633,677,281)
	Insurance Claim received	**37,938**	-
	(Increase)/Decrease in Loans and Advances	**(17,337,321,732)**	(5,648,198,102)
	Increase/(Decrease) in Liabilities and Provision	**2,300,984,455**	5,099,768
	(Increase)/Decrease in Other Current Assets	**(242,190)**	-
	Net Cash From/(Used in) Investing Activity	**(24,285,420,606)**	(6,276,775,615)
C)	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from Issue of Share Capital (including premium)	**3,091,250,000**	-
	Proceeds from Share Application Money	**5,348,100,000**	4,100,000,000
	Short Term Borrowings (Net)	**15,742,033,043**	2,752,253,151
	Net Cash From/(Used in) Financing Activities	**24,181,383,043**	6,852,253,151
	Net Cash Increase/(Decrease) in cash and cash equivalents	**(110,480,817)**	575,477,536
	Cash and Cash equivalents as at April 1, (Opening Balance)		
	Earmarked for specific Purposes	**10,150,120**	-
	Other Balances	**565,327,416**	-
		575,477,536	-
	Cash and Cash equivalents as at March 31, (Closing Balance)		
	Earmarked for specific Purposes	**10,071,874**	10,150,120
	Other Balances	**283,511,195**	565,327,416
		293,583,069	575,477,536

Notes :

1. The above Cash Flow Statement has been prepared under the "Indirect method" as set out in Accounting Standard - 3 on Cash Flow Statement.
2. Figures in brackets indicate cash outflow and without brackets indicate cash inflow.

As per our attached report of even date

For and on behalf of	For and on behalf of	For and on behalf of the Board	
R.S. DANI & CO.	**L.B JHA & CO.**	**Dr. Sanjeev Kumar**	**Manoj Maheshwari**
Firm Registration No. 000243C	Firm Registration No. 301088E	Director	Director
Chartered Accountants	Chartered Accountants		

C.P. Kothari	**Bhaskar Auddy**	**Sanjeev Pathak**
Partner	Partner	Company Secretary
Membership No. 072229	Membership No. 53770	

Noida, May 10, 2012

Notes on Financial Statements for the year ended March 31, 2012

(₹)

		As at March 31, 2012	As at March 31, 2011
1.	**SHARE CAPITAL**		
	Authorised:		
	15,00,00,000 (Previous year 15,00,00,000) Equity Shares of ₹ 10/- each	**1,500,000,000**	1,500,000,000
	Issued:		
	2,61,76,500 (Previous year 50,000) Equity Shares of ₹ 10/- each	**261,765,000**	500,000
	Subscribed & Paid up:		
	62,32,500 (Previous year 50,000) Equity Shares of ₹ 10/- each	**62,325,000**	500,000
	Total	**62,325,000**	500,000

a) Reconcilation of the Share outstanding at the beginning and at the end of the Reporting Period

Equity Shares	In Nos.	In Nos.
At the beginning of the Year	**50,000**	50,000
Allotted during the Year	**6,182,500**	-
At the end of the Year	**6,232,500**	50,000

b) Terms/Rights attached to Equity Shareholders

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each Equity Shareholder is entitled to one vote per Share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares Held by holding/Ultimate Holding Company and/or their Subsidiaries/ associates

Out of Equity Shares Issued by the Company, shares held by its holding Company are as below:-

	March 31, 2012	March 31, 2011
Bajaj Hindusthan Ltd. - Holding Co. 47,36,700 (Previous year 38,000) Equity Shares of ₹ 10 each fully paid-up	**47,367,000**	380,000

d) Details of shareholders holding more than 5% shares in the Company

	March 31, 2012		March 31, 2011	
	In No.	% holding in the class	In No.	% holding in the class
Bajaj Hindusthan Limited	**4,736,700**	**76.00%**	38,000	76.00%
Bajaj Power Ventures Private Limited	**1,495,800**	**24.00%**	12,000	24.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(₹)

		As at March 31, 2012	As at March 31, 2011
2.	**RESERVES AND SURPLUS**		
	Securities Premium Reserve		
	Balance as at the beginning of the year	**-**	-
	Add: On issue of Shares	**3,029,425,000**	-
		3,029,425,000	-
	Less: Preliminary Exps Written off	**6,861,645**	
	Balance as at the end of the year (a)	**3,022,563,355**	-
	Surplus/(Deficit) in Statement of Profit and Loss		
	Balance as at the beginning of the year	**-**	-
	Add: Profit/(Loss) for the year	**(6,443,254)**	-
	Balance as at the end of the year (b)	**(6,443,254)**	-
	Total (a+b)	**3,016,120,101**	-
3.	**SHARE APPLICATION MONEY PENDING ALLOTMENT**		
	Share Application Money Pending Allotment	**9,448,100,000**	4,100,000,000
		9,448,100,000	4,100,000,000

3.1 1,99,44,000 Equity Shares of ₹ 10/- each have been offered to existing shareholders on Rights Basis at a price of ₹ 500/- per equity share (including premium of ₹ 490/- per equity share), duly approved by the board of directors of the Company in its meeting held on Feburary 02, 2012.

3.2 As per the terms and conditions, Issue opens on March 16, 2012 and closes on May 15, 2012. Shares will be allotted within two months from the date of issue closure date.

3.3 Present authorised share capital of the Company i.e. 15 crores equity shares of ₹ 10 each would be sufficent to cover the share capital amount resulting from allotment of shares out of share application money.

(₹)

		As at March 31, 2012	As at March 31, 2011
4.	**OTHER LONG TERM LIABILITIES**		
	Payable - capital goods	**414,834,593**	-
	Security and others Deposits	**200,000**	200,000
	Total	**415,034,593**	200,000
5.	**LONG TERM PROVISIONS**		
	Provisions for Employees Benefits		
	Provisions for Gratuity	**1,521,541**	-
	Provisions for Leave Benefits	**2,652,309**	-
	Total	**4,173,850**	-
6.	**SHORT TERM BORROWINGS**		
	Secured:		
	Bridge Loan - From Bank	**9,496,398,816**	-
	Sub-Total (A)	**9,496,398,816**	-
	Unsecured:		
	Bridge Loan - From Bank	**6,247,889,269**	-
	Demand Loan - From Bank	**2,749,998,109**	2,752,253,151
	Sub-Total (B)	**8,997,887,378**	2,752,253,151
	Total (A+B)	**18,494,286,194**	2,752,253,151

6.1 Rupee Term Loans from Lenders of ₹ 949.64 Crore are secured/to be secured, on first *pari-passu* charge basis, by hypothecation of the whole of the present and future movable fixed assets and current assets of the Company.

7.	**OTHER CURRENT LIABILITIES**		
	Interest Accured but not due on borrowings	**175,553,474**	-
	Payable - capital goods	**1,664,455,184**	144,502
	Other Payables*	**57,138,207**	15,872,037
	Total	**1,897,146,865**	16,016,539
	* Includes Statutory dues, employee's payable, security received and expenses payable.		
8.	**SHORT TERM PROVISIONS**		
	Provisions for Employees Benefits		
	Provisions for Gratuity	**290,716**	-
	Provisions for Leave Benefits	**554,970**	-
	Total	**845,686**	-

9. FIXED ASSETS (₹)

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2011	Additions During the Year	Deduction and Adjustments	As at March 31, 2012	Upto April 1, 2011	For the year	Deduction and Adjustments	Upto March 31, 2012	As at March 31, 2012	As at March 31, 2011
(a) Tangible Assets										
Freehold Land	528,820,135	78,317,657	-	**607,137,792**	-	-	-	-	**607,137,792**	528,820,135
Temporary Construction	-	4,474,346	-	**4,474,346**	-	1,971,234	-	**1,971,234**	**2,503,112**	-
Plant and Equipments	-	8,549,496	-	**8,549,496**	-	83,081	-	**83,081**	**8,466,415**	-
Furniture, Fixures & Office Equipments	1,586,648	59,830,298	46,935	**61,370,011**	47,610	5,136,074	7,692	**5,175,992**	**56,194,019**	1,539,038
Vehicles	-	3,330,435	-	**3,330,435**	-	106,876	-	**106,876**	**3,223,559**	-
Total	530,406,783	154,502,232	46,935	**684,862,080**	47,610	7,297,265	7,692	**7,337,183**	**677,524,897**	530,359,173
Previous Year Total	159,499	530,247,284	-	**530,406,783**	9,028	38,582	-	**47,610**	**530,359,173**	150,471
(b) Intangible Assets										
Computer Software	-	16,911,418	-	**16,911,418**	-	1,135,445	-	**1,135,445**	**15,775,973**	-
Total	-	16,911,418	-	**16,911,418**	-	1,135,445	-	**1,135,445**	**15,775,973**	-
Previous Year Total	-	-	-	**-**	-	-	-	**-**	**-**	-
(c) Capital Work-in-Progress										
Capital Work-in-progress	108,073,234	9,257,313,092	-	**9,365,386,326**	-	-	-	**-**	**9,365,386,326**	108,073,234
Total	108,073,234	9,257,313,092	-	**9,365,386,326**	-	-	-	**-**	**9,365,386,326**	108,073,234
Previous Year Total	4,604,655	103,468,579	-	**108,073,234**	-	-	-	**-**	**108,073,234**	-

(₹)

Capital Work-in-Progress	As at April 1, 2011	Additions	Deduction & Adjustments	Up to March 31, 2012
Plant & Machinery/Civil work-in-progress	200,146	5,771,927,231	-	**5,772,127,377**
Pre-operative Expenses				
Manpower Cost	20,580,595	238,475,495	-	**259,056,090**
Rent	1,776,100	8,294,925	-	**10,071,025**
Rates and Taxes	21,321,650	160,662,655	-	**181,984,305**
Repairs	48,814	14,073,600	-	**14,122,414**
Professional Charges	38,217,221	84,630,530	-	**122,847,751**
Miscellaneous Expenses	16,430,457	351,495,737	-	**367,926,194**
Interest	2,253,151	1,768,021,330	-	**1,770,274,481**
Less : Interest Received	(166,801)	(1,203,886)		**(1,370,687)**
Finance Charges	7,364,291	852,502,765	-	**859,867,056**
Depreciation	47,610	8,432,710	-	**8,480,320**
Total	108,073,234	9,257,313,092	-	**9,365,386,326**

(₹)

		As at March 31, 2012	As at March 31, 2011
10.	**LONG TERM LOANS AND ADVANCES**		
	(Unsecured and Considered Good)		
	Project Capital Advances	**21,680,347,197**	5,644,566,787
	Security Deposits	**19,350**	5,150
	Other Advances Recoverable in Cash or in Kind or for value to be received	**4,305,000**	-
	Total	**21,684,671,547**	5,644,571,937
11.	**CASH AND CASH EQUIVALENTS**		
	Balance with Bank		
	In Current Accounts	**261,455,576**	565,318,816
	In Fixed Deposit Accounts**	**31,571,874**	10,150,120
	Cash on Hand	**555,619**	8,600
	Total	**293,583,069**	575,477,536
	** Includes earmarked for specific purposes, ₹ 1,00,71,874 (Previous year 1,01,50,120) out of which amount of ₹ 225,000 (Previous year Nil) is lien marked by the banker.		
12.	**SHORT TERM LOANS AND ADVANCES**		
	(Unsecured and Considered Good)		
	Security Deposits	**9,189,900**	3,066,000
	Project Capital Advances	**1,252,776,894**	-
	Other Advances Recoverable in Cash or in Kind or for value to be received	**13,253,788**	560,165
	Prepaid Expenses	**25,627,705**	-
	Total	**1,300,848,287**	3,626,165
13.	**OTHER CURRENT ASSETS**		
	Interest Receivable	**242,190**	-
	Preliminary Expenses	**-**	6,861,645
	Total	**242,190**	6,861,645
14.	**OTHER EXPENSES**		
	License and Fees expenses	**522,000**	
	Audit Fees	**449,440**	
	Advertisement Expenses	**2,196,453**	
	Professional Charges	**2,657,818**	-
	Business Promotion Expenses	**617,543**	
		6,443,254	-
15.	**CONTINGENT LIABILITIES AND COMMITMENTS**		
(a)	**Contingent Liabilities not Provided for :**		
	In respect of disputed demands/claims against the Company not acknowledged as debts:		
	In respect of Land	**54,397,904**	-
	Other Claims	**137,028,246**	-
(b)	**Commitments :**		
	Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of Advances)	**66,824,448,509**	55,279,612,713

16. The disclosures in respect of Related Parties as required under Accounting Standard 18 (AS-18) 'Related Party Disclosures' is stated herein below /Set out in a separate statement annexed hereto.

(i) Names of Related Parties and Relationships :

a) Enterprise having Control :

Holding Company

1) Bajaj Hindusthan Limited

Fellow Subsidiary Companies

1) Bajaj Eco-Tec Products Limited

2) Bajaj Hindusthan (Singapore) Private Limited, Singapore

3) Bajaj Power Generation Private Limited

b) Key Management personnel and relatives of such personnel

1) Mr. S.N.M. Tripathi, Whole-time Director

c) Enterprises over which any person, as described in Clause (c) or (d) of para 3 of AS - 18 , is able to exercise significant influence

1) Bajaj Power Ventures Private Limited

(ii) Transactions during the period with Related Parties :

(₹)

S. No	Nature of Transaction	Holding Company	Fellow Subsidiary Company	Key Management Personnel	Enterprise over which any related person has significant influence	Total
a)	**Transactions during the year**					
1	Purchase of Capital Goods	**4,242,169** (48,814)	**-** (0.00)	**-** (0.00)	**-** (0.00)	**4,242,169** (48,814)
2	Remuneration	**-** (0.00)	**-** (0.00)	**2,890,640** (0.00)	**-** (0.00)	**2,890,640** (0.00)
3	Equity Capital	**2,349,350,000** (0.00)	**-** (0.00)	**-** (0.00)	**741,900,000** (0.00)	**3,091,250,000** (0.00)
4	Share Application Money Received	**500,000,000** (1,850,000,000)	**2,500,000,000** (0.00)	**-** (0.00)	**5,440,000,000** (2,250,000,000)	**8,440,000,000** (4,100,000,000)
5	Share Application Money Refunded	**650,000** (0.00)	**-** (0.00)	**-** (0.00)	**-** (0.00)	**650,000** (0.00)
6	Guarantee taken	**15,750,000,000** (3,990,000,000)	**-** (0.00)	**-** (0.00)	**-** (0.00)	**15,750,000,000** (3,990,000,000)
b)	**Amounts outstanding at Balance Sheet Date**					
1	Guarantees taken	**19,740,000,000** (3,990,000,000)	**-** (0.00)	**-** (0.00)	**-** (0.00)	**19,740,000,000** (3,990,000,000)

(Figures in bracket are for previous year)

Note: Related Party relationship is as identified by the Management based on the available information and relied upon by the Auditors.

17. The Company is setting up super critical thermal power project with a capacity of 1980 MW (660 MW X 3 units) at Village Mirchwara & Burogaon; Tehsil Mahroni; District Lalitpur; Uttar Pradesh. During the year all expenses incurred by the Company related to the project are grouped in the head of Pre-operative expenses under capital work-in-progress.

18. The Company's activities involved setting up of coal based thermal power project. Considering the nature of Company's business and operation, there is no reportable segment (business or geographical) in accordance with the Accounting Standard 17- 'Segment Reporting' notified by the Companies (Accounting Standards) Rules, 2006.

19. There are no Micro and small scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2012. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

20. During the year, Company has earned total interest of ₹ 1,203,057 (on the short term project related Fixed Deposits with Bank) (Previous Year – ₹ 166,801) which has been adjusted from pre-operative expenses under Capital Work-in0-Progress in compliance with Accounting Standard -16 (AS-16), notified by the Companies (Accounting Standards) Rules, 2006.

21. During the year, Company has writen off Preliminary expenses amounting to ₹ 6,861,645, against security premium received during the year on issue of equity share, in compliance of Section 78 of the Companies Act, 1956.

(₹)

		Year Ended March 31, 2012	Year Ended March 31, 2011
22.	**DETAILS OF REMUNERATION OF AUDITORS**		
	Audit Fees	**449,440**	50,000
	Out of Pocket Expenses	**-**	10,000
	Total	**449,440**	60,000
23.	**EARNING PER SHARE (EPS):**		
	Basic and Diluted EPS		
	(Loss) attributable to equity shareholders	**(6,443,254)**	-
	Weighted average number of shares outstanding during the year	**4,492,616**	50,000
	Nominal Value of equity share	**10**	10
	Basic and Diluted EPS	**(1.43)**	-

24. BENEFITS TO EMPLOYEES

The following table sets out the disclosure under Accounting Standard-15 on 'Employee Benefits:

A. Defined Contribution Plan

Contribution to Provident Fund	**8,020,238**	-

B. Defined Benefit Plan

The Cost of providing gratuity and compensated absences is determined using the projected unit credit method on the basis of Actuarial valuation techniques.

The following tables summarise the components of net benefit expenses recognised during the year and which has been debited to Pre-operative under the Capital Work-in-Progress as per acturial valuation as on March 31, 2012.

Reconciliation of opening and closing balance of Deferred Benefit Obligation

a) Table showing changes in present value obligation

(₹)

	Gratuity		Compensated Absence	
	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2012	Year Ended March 31, 2011
Present value of obligations as at beginning of year	-	-	-	-
Interest cost	72,490	-	-	-
Current Service Cost	1,014,863	-	2,035,488	-
Benefits Paid	(154,025)	-	(732,071)	-
Actuarial (gain)/loss on obligations	878,929	-	1,903,862	-
Present value of obligations as at end of year	1,812,257	-	3,207,279	-

b) Table showing changes in fair value of plan assets

	Gratuity		Compensate Absence	
	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2012	Year Ended March 31, 2011
Fair value of plan assets at beginning of year	-	-	-	-
Expected return on plan assets	-	-	-	-
Contributions	-	-	732,071	-
Benefits Paid	-	-	(732,071)	-
Actuarial gain/ (loss) on Plan assets	-	-	-	-
Fair value of plan assets at the end of year	-	-	-	-
Funded Status	(1,812,257)	-	-	-

c) Actuarial gain/loss recognized

	Gratuity		Compensated Absence	
	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2012	Year Ended March 31, 2011
Actuarial (gain)/ loss on obligations	-	-	-	-
Actuarial (gain)/ loss for the year - plan assets	-	-	-	-
Actuarial (gain)/ loss on obligations	878,929	-	1,903,862	-
Actuarial (gain)/ loss recognized in the year	878,929	-	1,903,862	-

d) Table showing the amounts to be recognised in the Balance Sheet

	Gratuity		Compensated Absence	
	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2012	Year Ended March 31, 2011
Present value of obligations as at the end of year	1,812,257	-	3,207,279	-
Fair value of plan assets as at the end of the year	-	-	-	-
Funded status in fair value of assets	-	-	-	-
Net asset/ (liability) recognised in Balance Sheet	(1,812,257)	-	(3,207,279)	-

e) Table showing expenses to be recognised in Profit and Loss Account

	Gratuity		Compensated Absence	
	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2012	Year Ended March 31, 2011
Current Service cost	-	-	-	-
Interest Cost	-	-	-	-
Expected return on plan assets - at the time of payment	-	-	-	-
Net Actuarial (gain)/ loss recognised in the year	-	-	-	-
Expenses recognised in Profit & Loss account	-	-	-	-

f) Actuarial assumptions

	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2012	Year Ended March 31, 2011
Discount rate	8%	0.00%	8%	0.00%
Salary Escalation	5%	0.00%	5%	0.00%

25. a) C.I.F. value of Imports

(₹)

	Year Ended March 31, 2012	Year Ended March 31, 2011
Capital Goods	**937,499,976**	-

b) Expenditure in foreign currency :

Foreign Travelling Expenses	**868,694**	-

26. The financial statement for the year ended March 31, 2011 had been prepared as per the then applicable pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of revised Schedule VI, the financial statement for the year ended March 31, 2012 are prepared as per revised Schedule VI. Accordingly the previous year figures have also been reclassified to conform to this current year's classification. The adoption of revised Schedule VI for previous year figures does not impact 'recognition and measurement principles' followed for preparation of financial statement.

27. SIGNIFICANT ACCOUNTING POLICIES

(A) System of Accounting:

(i) The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.

(ii) Financial statements are based on historical cost except as otherwise stated specifically.

(iii) All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956. Since at present, the Company is setting up thermal power plant, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets.

(B) Fixed Assets :

(i) Fixed assets are carried at cost of acquisition or construction cost, less accumulated depreciation (except freehold land) and amortisation. All costs relating to the acquisition and installation of fixed assets are capitalised.

(ii) Expenditure during construction period incurred on the projects under implementation is treated as pre-operative expenses pending allocation to the assets, and are included under "Capital work- in-progress". These expenses are apportioned to fixed assets on commencement of commercial production. Capital work-in-progress is stated at the amount expended up to the date of balance sheet.

(iii) Software which is not integral part of the hardware is classified as intangible assets and is stated at cost of acquisition less accumulated amortisation.

(C) Depreciation and Amortization :

(i) Depreciation on all the assets provided as under:

- All assets (except land) : On straight-line method basis at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

(ii) Depreciation on assets added, sold or discarded during the year has been provided on pro-rata basis.

(iii) Assets costing less than ₹ 5,000 individually are depreciated at the rate of 100% on pro-rata basis.

(iv) Intangible assets represented by computer software is being amortised over a period of five years.

(D) Foreign Exchange Transactions :

(i) Initial Recognition :

Transactions in foreign currencies entered into by the Company are accounted at the exchange rate prevailing on the date of the transaction or at the rate that closely approximate the rate at the date of the transaction.

(ii) Treatement of exchange differences :

Exchange difference arising on account of fluctuation in the rate of exchange is recognised in the pre-operative expenses, as the Company is under construction period.

(E) Employee Benefits :

(i) Short term employee benefits are recognised and grouped at the undiscounted amount in the year in which the related service is rendered.

(ii) Post employment and other long-term employee benefits comprise of gratuity and compensated absences. The gratuity plan is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the projected unit method. The liability of compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year end.

(iii) Retirement benefits in the form of Provident fund and pension schemes are accounted for when the contributions to the respective funds are due and debited during the year.

(F) Borrowing cost :

Borrowing cost attributable to acquisition and construction of qualifying assets are capitalised as part of the cost of such assets.

(G) Provisions, Contingent Liabilities and Contingent Assets :

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Financial Statements. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

Signature to Notes "1" to "27".

As per our attached report of even date

For and on behalf of	For and on behalf of	For and on behalf of the Board	
R.S. DANI & CO.	**L.B JHA & CO.**	**Dr. Sanjeev Kumar**	**Manoj Maheshwari**
Firm Registration No. 000243C	Firm Registration No. 301088E	Director	Director
Chartered Accountants	Chartered Accountants		
C.P. Kothari	**Bhaskar Auddy**	**Sanjeev Pathak**	
Partner	Partner	Company Secretary	
Membership No. 072229	Membership No. 53770		

Noida, May 10, 2012

DIRECTORS' REPORT

The Directors present their report to the member together with the audited financial statements of the Company for the financial year ended 31 March 2012.

DIRECTORS

The Directors in office at the date of this report are:

Pradeep Parakh
Arangannal s/o Kathamuthu

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register of directors' shareholdings kept by the Company for the purpose of Section 164 of the Singapore Companies Act, Cap. 50, none of the directors holding office at the end of the financial year had any interests in shares and debentures of the Company and its related corporations, except as detailed below:

	Holdings registered in the name of director	
	As at 01.04.2011	**As at 31.03.2012**
Ordinary shares		
In holding Company		
Bajaj Hindusthan Ltd.		
Pradeep Parakh	1,000	4,000

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of previous financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(B) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

SHARE OPTIONS

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

INDEPENDENT AUDITOR

The independent auditor, Messrs Shanker Iyer & Co., Certified Public Accountants, Singapore, has expressed its willingness to accept re-appointment.

Pradeep Parakh Director — **Arangannal s/o Kathamuthu** Director

26 November 2012

STATEMENT BY DIRECTORS

In the opinion of the Directors,

(a) the accompanying financial statements of the Company are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2012 and of its results, changes in equity and cash flows for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

The directors authorised these financial statements for issue on 26 November 2012.

Pradeep Parakh Director — **Arangannal s/o Kathamuthu** Director

26 November 2012

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BAJAJ HINDUSTHAN (SINGAPORE) PRIVATE LIMITED
(Incorporated in Singapore)

Report on the Financial Statements

We have audited the accompanying financial statements of BAJAJ HINDUSTHAN (SINGAPORE) PRIVATE LIMITED (the "Company") as set out on pages 7 to 26, which comprise the statement of financial position as at 31 March 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2012 and the results, changes in equity and cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

SHANKER IYER & CO.
Public Accountants and Certified Public Accountants

Singapore
26 November 2012

Statement of Financial Position as at 31 March 2012

	Note	2012 US$	2012 ₹ Million	2011 US$	2011 ₹ Million
ASSETS					
Current Assets					
Cash and cash equivalents	4	**7,030,114**	**370.48**	14,546,661	711.70
Other Receivables	5	**10,052,975**	**529.77**	309,866	15.16
Deferred tax asset	6	**967,532**	**50.99**	880,101	43.06
Total assets		**18,050,621**	**951.24**	15,736,628	769.92
LIABILITIES					
Current Liability					
Other Payables	7	**2,509,273**	**132.24**	151,595	7.42
Total Liability		**2,509,273**	**132.24**	151,595	7.42
NET ASSETS		**15,541,348**	**819.00**	15,585,033	762.50
Shareholder's Equity					
Share Capital	8	**19,899,714**	**1,048.66**	19,899,714	973.59
Accumulated losses		**(4,358,366)**	**(229.66)**	(4,314,681)	(211.09)
Total Equity		**15,541,348**	**819.00**	15,585,033	762.50

Notes:

1. Figures for the year ended 31 March, 2012 are converted at the exchange rate prevailing as on 30.09.12 i.e US$ = ₹ 52.6970
2. Figures for the year ended March 31, 2011 are converted at the exchange rate prevailing as on 30.09.11 i.e US$ = ₹ 48.9253.

Statement of Comprehensive Income for the Financial Year ended 31 March 2012

	Note	2012 US$	2012 ₹ Million	2011 US$	2011 ₹ Million
REVENUE					
Sale of goods		**12,768,000**	**672.84**	72,881,250	3,565.73
Other income	9	**465,497**	**24.54**	348,249	17.04
		13,233,497	**697.38**	73,229,499	3,582.77
EXPENSES					
Purchases consumed		**11,550,000**	**608.65**	61,645,000	3,016.00
Contract cancellation costs		**-**	**-**	16,300,000	797.48
Legal and professional fees		**766,357**	**40.38**	81,899	4.01
Demurrage expenses		**416,825**	**21.97**	300,028	14.68
Travelling		**593,314**	**31.27**	-	-
Other operating expenses		**38,117**	**2.01**	69,312	3.38
Total Expenses		**13,364,613**	**704.28**	78,396,239	3,835.55
Loss before income tax		**(131,116)**	**(6.90)**	(5,166,740)	(252.78)
Income tax benefit	10	**87,431**	**4.61**	880,101	43.06
Net loss, representing total comprehensive loss for the financial year		**(43,685)**	**(2.29)**	(4,286,639)	(209.72)

Notes:

1. Figures of Profit & Loss Account for the year ended 31 March, 2012 are converted at the exchange rate prevailing as on 30.09.12 i.e. US$ = ₹ 52.6970.
2. Figures of Profit & Loss account for the year ended 31 March, 2011 are converted at the exchange rate prevailing as on 30.09.11 i.e. US$ = ₹ 48.9253.

Statement of Cash Flows for the financial year ended 31 March 2012

	Note	2012 US$	2012 ₹ Million	2011 US$	2011 ₹ Million
Cash Flow From Operating Activities					
Loss before income tax		**(131,116)**	**(6.90)**	(5,166,740)	(252.78)
Adjustment:					
Interest income	9	**(18,723)**	**(0.99)**	(19,075)	(0.93)
Operating cash flows before changes in working capital		**(149,839)**	**(7.89)**	(5,185,815)	(253.71)
Changes in working capital:					
Other receivables		**43,371**	**2.29**	(302,866)	(14.82)
Other payables		**2,357,678**	**124.24**	144,983	7.09
Cash generated from/(used) in operations		**2,251,210**	**118.64**	(5,343,698)	(261.44)
Interest received	9	**18,723**	**0.99**	19,075	0.93
Net cash generated from/(used) in operating activities		**2,269,933**	**119.63**	(5,324,623)	(260.51)
Cash Flow From Investing Activities					
Advance payments for investments		**(1,586,480)**	**(83.60)**	-	-
Advance to external party		**(8,200,000)**	**(432.12)**	-	-
Net cash used in investing activity		**(9,786,480)**	**(515.72)**	-	-
Cash Flow From Financing Activities					
Proceeds from issuance of shares	8	**-**	**-**	19,899,000	973.56
Repayment to holding Company		**-**	**-**	(40,393)	(1.98)
Net effect of change in functional currency		**-**	**-**	12	0.00
Net cash generated from financing activities		**-**	**-**	19,858,619	971.58
Net (decrease)/increase in cash and cash equivalents		**(7,516,547)**	**(396.09)**	14,533,996	711.07
Cash and cash equivalents at beginning of the year		**14,546,661**	**766.57**	12,665	0.62
Cash and cash equivalents at end of the year	4	**7,030,114**	**370.48**	14,546,661	711.69

Notes:

1. Figures of Cash flow statement for the year ended 31 March 2012 are converted at the exchange rate prevailing as on 30.09.12 i.e US$ = ₹ 52.6970.
2. Figures of Cash flow statement for the period ended 31 March 2011 are converted at the exchange rate prevailing as on 30.09.11 i.e US$ = ₹ 48.9353.

Statement of Changes in Equity for the financial year ended 31 March 2012

2012	Share Capital US$	Accumulated Losses US$	Translation reserve US$	Total US$	Share Capital ₹ Million	Accumulated Losses ₹ Million	Translation reserve ₹ Million	Total ₹ Million
Balance as at 31 March 2011	19,899,714	(4,314,681)	-	15,585,033	1,048.66	(227.37)	-	821.29
Total comprehensive loss for the financial year	-	(43,685)	-	(43,685)	-	(2.29)	-	(2.29)
Balance as at 31 March 2012	19,899,714	(4,358,366)	-	15,541,348	1,048.66	(229.66)	-	819.00
2011								
Balance as at 31 March 2010	654	(27,280)	(714)	(27,340)	0.03	(1.33)	(0.03)	(1.33)
Effect of change in functional currency	60	(762)	714	12	-	(0.04)	0.03	(0.01)
Restated balance as at 01 April 2010	714	(28,042)	-	(27,328)	0.03	(1.37)	-	(1.34)
Issuance of shares (Note 8)	19,899,000	-	-	19,899,000	973.56	-	-	973.56
Total comprehensive loss for the financial year	-	(4,286,639)	-	(4,286,639)	-	(209.72)	-	(209.72)
Balance as at 31 March 2011	19,899,714	(4,314,681)	-	15,585,033	973.59	(211.09)	-	762.50

Notes :

1. Figures for the year ended 31 March, 2012 are converted at the exchange rate prevailing as on 30.09.12 i.e. US$ = ₹ 52.6970.
2. Figures for the year ended 31 March, 2011 are converted at the exchange rate prevailing as on 30.09.11 i.e. US$ = ₹ 48.9253.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

1. GENERAL INFORMATION

Bajaj Hindusthan (Singapore) Private Limited (Company Registration No.: 200709334R) is incorporated and domiciled in Singapore. The Company's registered office is at 80 Raffles Place, #26-01 UOB Plaza 1, Singapore 048624.

The principal activities of the Company are those relating to investment holding and trading of commodities. There have been no significant changes in the nature of these activities during the financial year.

The financial statements of the Company for the financial year ended 31 March 2012 were authorised by the directors for issuance on 26 November 2012.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements, which are expressed in the United States dollars, are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are mandatory for application from that date. The adoption of these new and revised FRSs and INT FRSs have no material effect on the financial statements.

At the date of authorisation of these financial statements, the Company has not applied those FRSs and INT FRSs that have been issued but are effective only in future financial years. The Company expects that the adoption of the standards will have no financial effect on the financial statements in the period of initial application.

b) Currency translation

The financial statements of the Company are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Company are presented in the United States dollars, which is the functional currency of the Company.

In preparing the financial statements of the Company, monetary assets and liabilities in foreign currencies are translated into the United States dollars at rates of exchange closely approximating to those ruling at the end of the reporting period and transactions in foreign currencies during the financial period are translated at rates ruling on transaction dates. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

c) Financial instrument

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

d) Financial assets

(i) Classification

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "loans and receivables", "held to maturity investments" and "available-for-sale" financial assets. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the end of the reporting period which are presented as non-current assets. Loans and receivables are presented as "cash and cash equivalents" and "other receivables" on the statement of financial position.

(ii) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(iii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company

has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss.

(iv) Initial measurement

Loans and receivables are initially recognised at fair value plus transaction costs.

(v) Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method less allowance for impairment.

(vi) Impairment

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence arises.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

e) Other payables

Other payables are initially measured at fair value and subsequently carried at amortised cost, using the effective interest method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled and expired.

f) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

g) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

h) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is presented, net of goods and services tax, rebates and discounts.

The Company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria of the Company's activities are met as follows:

(i) Revenue from the sale of goods is recognised upon passage of title to the customer, which generally coincides with their delivery and acceptance.

(ii) Interest income is recognised on the effective interest method.

(iii) Demurrage income is recognised upon completion of services which is short term in nature.

i) Income tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when it affects neither the taxable profits nor the accounting profit at the time of transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

j) Related parties

A related party is defined as follows:

(i) A person or a close member of that person's family is related to the Company if that person:

(a) Has control or joint control over the Company;

(b) Has significant influence over the Company; or

(c) Is a member of the key management personnel of the Company or of a parent of the Company.

(ii) An entity is related to the Company if any of the following conditions applies:

(a) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(c) Both entities are joint ventures of the same third party.

(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(e) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(f) The entity is controlled or jointly controlled by a person identified in (a);

(g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The presentation of financial statements in conforming to FRS requires the use of certain critical accounting estimates, assumptions and judgements in applying the accounting policies. These estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The following are the significant accounting estimates, assumptions and judgements that have the most significant effect for preparation of financial statements:

Taxes

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of deferred tax asset is disclosed in Note 6.

4. CASH AND CASH EQUIVALENTS

	2012		2011	
	US$	**₹ Million**	US$	₹ Million
Cash at Bank	**4,012,970**	**211.48**	1,603,026	78.43
Short-term Deposits	**3,017,144**	**159.00**	12,943,635	633.26
	7,030,114	**370.48**	14,546,661	711.69

Short-term deposits at the end of the reporting period have maturity of 1 month (2011 : 1 month to 3 month) from the end of the financial year with interest rates at 0.38% (2011 : ranging from 0.17% to 0.62%) per annum.

Cash and cash equivalents are denominated in the following currencies:

	2012	2011
	US$	US$
Singapore dollars	**4,012,970**	4,780,373
United States dollars	**3,017,144**	9,766,288
	7,030,114	14,546,661

5. OTHER RECEIVABLES

	2012		2011	
	US$	₹ Million	US$	₹ Million
Advances to external party	**8,200,000**	**432.12**	-	-
Advance payments for investments	**1,586,480**	**83.60**	-	-
Deposit	**3,572**	**0.19**	3,572	0.17
Prepayments	**-**	**-**	3,298	0.16
Amount owing from holding Company	**-**	**-**	300,028	14.68
Other receivable	**262,923**	**13.86**	2,968	0.15
	10,052,975	**529.77**	309,866	15.16

Advances to external party relates to monies paid for the acquisition and development of the coal mines in Zadana. The process is expected to materialise within the next twelve month from the end of the reporting period.

Advance payments for investments represent advances given to an external investee Company for investments in unquoted equity shares in Indonesia. The investments are currently pending regulatory approval, the process of which is expected to be within 12 months from the end of the reporting period. Upon regulatory approval, the advances will be converted to investments in available-for-sale financial asset. Should the regulatory approval not be forthcoming, the amount will be refunded to the Company.

In 2011, the amount owing from holding Company was non-trade in nature, unsecured, interest-free and repayable on demand. This amount has been fully settled during the financial year.

Included in other receivables is an amount of US$262,381 pertaining to demurrage income recoverable from an external party. This amount is non-trade in nature, unsecured, interest-free and repayable on demand.

Other receivables are denominated in the following currencies:

	2012	2011
	US$	US$
Singapore dollars	**4,114**	4,540
United States dollars	**10,048,861**	305,326
	10,052,975	309,866

6. DEFERRED TAX ASSET

	2012		2011	
	US$	₹ Million	US$	₹ Million
Beginning of financial year	**880,101**	**46.38**	-	-
Credited to profit or loss (Note 10)	**87,431**	**4.61**	880,101	43.06
	967,532	**50.99**	880,101	43.06

The above represents the unabsorbed tax losses which in the view of the directors, are expected to be recovered within one year.

7. OTHER PAYABLES

	2012		2011	
	US$	₹ Million	US$	₹ Million
Accruals for operating expenses	**9,776**	**0.52**	15,892	0.78
Other payables	**2,499,497**	**131.72**	135,703	6.64
	2,509,273	**132.24**	151,595	7.42

Included in other payables is an amount of US$2,474,025 pertaining to amount due to an external party. This amount is non-trade in nature, unsecured, interest-free and repayable on demand.

Other payables are denominated in the following currencies:

	2012	2011
	US$	US$
Singapore dollars	**35,248**	15,892
United States dollars	**2,474,025**	135,703
	2,509,273	151,595

8. SHARE CAPITAL

	2012		2011	
	US$	₹ Million	US$	₹ Million
Issued and fully paid				
27,001,000 (P.Y. 27,001,000) ordinary shares	19,899,714	1,048.66	19,899,714	973.60

All issued ordinary shares are fully paid. There are no par values for these ordinary shares.

In 2011, the Company increased its share capital by way of further allotment of 27,000,000 ordinary shares for a total consideration of US$19,899,000 for working capital.

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

9. OTHER INCOME

	2012		2011	
	US$	₹ Million	US$	₹ Million
Interest income	**18,723**	**0.99**	19,075	0.93
Exchange gain	**29,949**	**1.58**	29,146	1.43
Demurrage income	**416,825**	**21.97**	300,028	14.68
	465,497	**24.54**	348,249	17.04

10. INCOME TAX BENEFIT

	2012		2011	
	US$	₹ Million	US$	₹ Million
Deferred income tax (Note 6)	**87,431**	**4.61**	880,101	43.06

The current year's income tax varied from the amount of income tax determined by applicable Singapore statutory income tax rate of 17% (2011 : 17%) to the loss before income tax as a result of the following differences :

	2012	2011
	US$	US$
Loss before income tax	(131,116)	(5,166,740)
Income tax benefit at statutory rate	(22,290)	(878,346)
Non-allowable items	128,104	-
Non-taxable income	(5,497)	(1,755)
Under-provision of deferred tax assets in prior year	(187,748)	-
	(87,431)	(880,101)

As at 31 March 2012, the Company has unabsorbed tax losses of approximately US$5,691,000 (2011 : US$5,177,000), available for offsetting against future taxable income of the Company subject to there being no substantial change in the shareholders of the Company and their shareholdings within the meaning of Sections 37 of the Singapore Income Tax Act and agreement by the Inland Revenue Authority of Singapore.

11. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The Company's immediate and ultimate holding Company is Bajaj Hindusthan Limited, a Company incorporated in India.

12. RELATED PARTY TRANSACTIONS

During the financial year, the Company had transactions with related parties on terms agreed between the parties:

(a) Sales and Purchase of goods and services

	2012	2012	2011	2011
	US$	₹ Million	US$	₹ Million
Purchases from holding Company	**4,279,550**	**225.52**	61,645,000	3,016.00
Demurrage income received from holding Company	**154,444**	**8.14**	300,028	14.68

(b) Key management personnel compensation

There are no key management personnel compensation during the financial year.

13. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to market risks (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Company's financial performance.

(a) Market risks

(i) Foreign currency risk

The Company incurs foreign currency risk on transactions that are denominated in currency other than the United States dollars such as Singapore dollars. However, the Company does not use any hedging instruments to protect against the volatility associated with foreign currency purchases and other assets and liabilities created in the normal course of business.

The Company's currency exposure to the Singapore dollars based on the information provided to key management is as follows:

	2012	**2012**	2011	2011
	US$	**₹ Million**	US$	₹ Million
Financial Assets				
Cash and cash equivalents	**4,012,970**	**211.47**	4,780,373	233.88
Other receivables	**4,114**	**0.22**	4,540	0.22
	4,017,084	**211.69**	4,784,913	234.10
Financial Liability				
Other payables	**35,248**	**1.86**	15,892	0.78
Currency exposure of financial asset	**3,981,836**	**209.83**	4,769,021	233.32

If the Singapore dollars had strengthened/weakened by 1% (2011: 11%) against the United States dollars with all other variables including tax rate being held constant, the Company's net loss for the financial year would have been higher/lower by approximately US$40,000 (2011: US$525,000) as a result of currency translation gains/ losses on the remaining Singapore dollars denominated financial asset and liability.

(ii) Interest rate risk

The Company has no exposure to market risk for changes in interest rates as it has no borrowings.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are cash at bank and other receivables. For banks, deposits are placed with regulated banks. For credit exposures to customer, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

There are no other class of financial assets that may be past due and/or impaired except for trade receivables.

As at end of reporting period, there are no financial assets that are neither past due nor impaired.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding and the ability to close out market positions at a short notice. At the end of each reporting period, assets held by the Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 4.

Management monitors rolling forecasts of the Company's liquidity reserve on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the holding Company. In addition, the Company's liquidity management policy involves projecting cashflows in major currencies and considering the level of liquid assets necessary to meet these; monitoring liquidity ratios; and maintaining debt financing plans.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity grouping based on the remaining period from the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	On demand or within 1 year	**On demand or within 1 year**
	US$	₹Million
Non-interest bearing		
2012		
Other payables	**2,509,273**	**132.23**
	2,509,273	**132.23**
2011		
Other payables	151,595	7.42
	151,595	7.42

(d) Fair value measurement

The carrying amounts of cash and cash equivalents, other receivables and other payables approximate their fair values due to their relatively short-term nature.

(e) Categories of financial instruments

The following table sets out the Company's financial instruments as at the end of the reporting period:

	2012		2011	
	US$	**₹ Million**	US$	₹ Million
Financial Assets				
Loans and receivables				
Cash and cash equivalents	**7,030,114**	**370.47**	14,546,661	711.70
Other receivables	**10,052,975**	**529.76**	309,866	15.16
Financial Liability				
Amortised cost				
Other payables	**2,509,273**	**132.23**	151,595	7.42

14. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholder, issue new shares, buy back issued shares, obtain borrowings or sell assets to reduce borrowings.

The Company is not subject to externally imposed capital requirements. There have been no changes to the Company's overall strategies during the financial years ended 31 March 2012 and 2011.

bajaj hindusthan ltd.